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# **Daily Report—**

# **China**

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# Daily Report

## China

FBIS-CHI-93-117

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21 June 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

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## General

### **IOC Accuses U.S. Congress of 'Interfering'**

OW2106033793 Beijing XINHUA in English 0118  
GMT 21 Jun 93

[Text] Lausanne, Switzerland, June 20 (XINHUA)—The International Olympic Committee [IOC] angrily criticised on Sunday [20 June] the U.S. Congress for passing a motion against Beijing hosting the 2000 Olympic Games.

Leading members of the IOC, including American Anita DeFrantz, accused the Human Rights Subcommittee of the House of Representatives of interfering in the independent Olympic selection process.

Francois Carrard, director general of the IOC, told reporters the House's motion "is a most unfortunate intrusion of politics into sport, and the IOC will not allow such influence to be put on its members."

IOC Vice-President Kevan Gosper of Australia said the IOC's ruling Executive Board discussed the issue on Saturday as it kicked off three days of talks ahead of the inauguration of a 70 million [as received] Olympic museum this week.

Gosper said the 10 board members had felt "very uncomfortable" with the U.S. move, and "I personally regret it very much".

"If the U.S. wants to make recommendations to the IOC, that's their right. But they've got no right to tell individual members which way to vote.

"We take the line that these members can decide for themselves."

Dick Pound, IOC executive member of Canada, said "to say the least it was an unfortunate interference."

He said "I think it is an unfortunate resolution to be circulated at this time ... I hope that more mature congressional thought will be addressed to it and it will not go any further."

"We show every day that we are worried about human rights problems. The case of South Africa is the proof," said Keba Mbaye, Senegal's representative on the IOC.

Anita DeFrantz, the sole American on the 93-member IOC, said "every IOC member, including me, has the right to make his or her own decision"

The IOC will select the host city during a secret ballot in Monte Carlo on September 23. In addition to Beijing, the candidates are Sydney, Berlin, Brasilia, Istanbul and Manchester.

### **West's Efforts To Curb Immigration Criticized**

HK2106120293 Hong Kong TA KUNG PAO in Chinese  
21 Jun 93 p 3

[“Political Talks” column by Shih Chun-yi (2457 0689 3768); “United States and France Impose More Restrictions on Entry and Naturalization”]

[Text] On 18 June, two large countries on opposite sides of the Atlantic Ocean, France and the United States, successively adopted measures to tighten immigration controls. Before their move, Germany had taken similar action. This shows that the international situation has undergone a change in recent years.

### **A Comparison of the Situation Before and After the Event**

On 18 June, the French National Assembly passed the “Bill on Controlling Immigration,” which tightened restrictions on issues such as immigrant family reunions, naturalization through intermarriage, and political asylum. Before that, the Senate passed a new nationality law, under which foreigners’ children born in France cannot automatically obtain French citizenship. That very same day, U.S. President Bill Clinton announced that a series of measures would be taken to check illegal entry into the country, including enforcing the law more rigorously, intercepting ships organized by “snakeheads,” and strengthening searches and arrests of illegal aliens.

In the past, both the United States and France treated political asylum seekers leniently and gave preferential treatment to “refugees” from those countries having a different ideology. Other illegal aliens were not treated very strictly either. People who have good sense can discern that there is a political objective behind these practices. They are part of the West’s coordinated policy seeking to manipulate the politics of communist countries and the Third World. The economic factor also plays a role. As in Western countries, the population is aging rapidly (particularly in Western Europe), and immigrants help alleviate the shortages in workers for physical labor. In recent years, they have further intentionally absorbed the talents—“importing brains” and funds (the so-called technology and investment immigration) that they needed. Some Western commentators have ridiculed the practice as “reverse colonization.”

### **Three Factors**

Today, things have changed. First, with the end of the Cold War, it is no longer necessary to stage any “shows” giving refugees asylum. Eastern Europe and the Commonwealth of Independent States have relaxed their exit restrictions, and the Western countries’ main worry is now the swarming influx of refugees. Second, the civil war in the former Yugoslavia has created approximately one million refugees, bringing pressure to bear on various Western countries. Third, with economic recession and depression sweeping the West and jobless figures

rising steadily. Western countries are finding it more difficult to entertain these uninvited guests at a time when they are all hurriedly considering curtailing welfare benefits for their own nationals.

In fact, during the 10 years from 1983 to 1992, the number of individuals seeking refuge in Western Europe increased by 900 percent. Of those seeking refuge in Western Europe last year, two-thirds went to Germany, and this resulted in extremely serious xenophobic disturbances in that country. Cases of racist violence have also emerged one after another in France. Even in Britain, which has essentially remained unaffected by racist violence, Member of Parliament Churchill (grandson of wartime Prime Minister Winston Churchill), also raised an outcry using alarmist language about the surging high tide of immigration.

Although Western countries have not completely renounced the practice of providing political asylum to achieve their political objectives, economic and social realities have compelled them to change some of their practices out of consideration for their own national interests. Compared with their previous "generosity," the contrast remains strong.

#### A Scapegoat

On the very day that he announced the adoption of new measures to combat illegal entry into the United States, U.S. President Clinton said: The illegal entries that have occurred in recent weeks have had a great social and economic impact on the United States. This remark was obviously exaggerated. Nobody believes that several hundred Fujianese could have such a great impact on a country as large as the United States. He was using the issue simply to achieve his political objective of expressing concern for the people's livelihood to the voters. People still remember that, during his election campaign, he boasted to Haitian refugees that he would receive all refugees. After assuming office, however, he violated his promise. Naturally, the Hong Kong people all the more remember the high-sounding essential principles preached by the Americans on human rights and freedom when tens of thousands of Vietnamese boat people landed in Hong Kong. By comparing their previous and present remarks, it is not difficult to understand the Western politicians' criteria for right and wrong. Yesterday they termed the people who illegally entered their countries freedom fighters, but today they are throwing the very same people in jail, saying: "Illegal aliens are related to crime." They are calling a deer a horse or vice versa as they please.

#### U.S.-Led 'Anti-China Alliance' Causes Concern

*HK1806133793 Hong Kong TANGTAI in Chinese No 27, 15 Jun 93 pp 22-23*

[Article by Lu Yu-shan (7627 6276 2619): "The CPC Is Worried About a U.S.-Led 'Anti-China Alliance'—the

General Principle of Loosening Up on the Outside While Tightening the Screws Inside"]

[Text] After the sessions of the National People's Congress and the Chinese People's Political Consultative Conference National Committee, the Ministry of Foreign Affairs issued an internal document, giving a briefing on the "struggle situation" in foreign affairs. It included the following points:

First, GATT and the U.S. negotiating team issued a note to Li Zhaoxing, Chinese ambassador to the United Nations, using friendly and polite words to express anti-China intentions. It mentioned the following conditions:

1. The market economy cannot be divided into a capitalist market economy and a socialist market economy, and China must come into line with international practice.
2. Secondary products (raw materials, garments, minerals, and labor-intensive nonsophisticated technologies) cannot be dumped in other countries.
3. Human rights are linked with the market economy, and the market economy must be guaranteed by a system of freedom and democracy.

Second, during Yeltsin's visit to the United States, the spokesman for the U.S. Government refused to talk about the U.S.-Russian summit meeting, but Yeltsin's spokesman said that they talked about "Asian issues." This hinted that "the United States and Russia are likely to make certain deals." And this is naturally aimed at China.

Third, Vietnam has reached agreement with the United States on unconditional restoration of diplomatic relations, and this will be the completion of the encirclement against China.

Fourth, Sihanouk indicated that once he won the election, he would issue an order to wipe out the bandits. He even used the same words the Kuomintang used against the Communists. It is possible that Taiwan has had a hand in Cambodian affairs.

Fifth, after Lien Chan took office, Taiwan took two major actions: 1) Reducing Taiwan enterprises' investment in China by 50 percent; and 2) trying to reenter the United Nations in three years.

Sixth, a change will occur in India-Pakistan relations, and the United States will lift its arms embargo against Pakistan.

According to the description in the document, the world has formed a "large anti-China and anticomunist encirclement."

The Foreign Ministry document also reflected the fact that the CPC policymakers only expressed optimism

about international affairs on the surface, and they were in fact rather nervous and at a loss.

On the other hand, in early May, the General Office of the CPC Central Committee issued a document prepared by the Central Propaganda Department to the party committees of all provinces, autonomous regions, municipalities, and military regions. The document was entitled "Concerning the U.S. Antagonistic Program Against China."

The document enumerated 12 types of facts to show that after the dissolution of the Soviet Union, the United States had shifted the target of its global strategy to China. The 12 points are as follows:

1. Trying to bring Japan and South Korea into the U.S. scheme of carrying out ideological and economic infiltration, subversion, and encirclement.
2. Supporting Taiwan's efforts to develop its military strength, and maintaining the military confrontation between the two sides of the strait in order to wear down China's military and economic strength and deepen the ideological differences between the two sides.
3. Using the most-favored-nation issue to carry out undisguised political blackmail and interfere in China's internal affairs.
4. Openly meddling in Hong Kong affairs, openly supporting the British Government's changing its China policy, and attempting to turn Hong Kong into a focus of international political disputes and an anti-China spring-board for Britain and the United States.
5. Inciting its political allies and followers to set up obstacles to prevent China from restoring its legal seat in GATT.
6. Abetting West European industrial countries in following the U.S. strategy and policy against China, thus carrying out political and economic infiltration and subversion and using pressure to force the occurrence of drastic changes in China.
7. Intensifying anti-China propaganda and demagogic through the Voice of America around China.
8. Preparing the founding of an Asian radio station aimed at China in order to carry out subversive activities and propaganda against China.
9. Using China's open policy and religious freedom to carry out illegal activities in the form of doing missionary work in urban and rural areas, thus organizing illegal activities of opposing and subverting the central people's government.
10. Giving political and economic support to Chinese exiles overseas so that they can organize anticommunist and anti-China groups based overseas.
11. Assisting and supporting the plans of exiles in overseas antagonistic organizations to stealthily return

to Mainland China, thus carrying out illegal underground activities to resist local government leadership and work.

12. Supporting separatism in the Tibet Autonomous Region and supporting the Dalai Lama in exile; encouraging so-called "Tibet independence," and supporting Tibetan rebels' anti-China activities in international arenas.

## Coverage of Human Rights Conference Continues

### 'Roundup' on Views Presented

OW1806124793 Beijing XINHUA Domestic Service in Chinese 0552 GMT 18 Jun 93

[Roundup by reporters Zhang Zhengdong (1728 1767 2639) and Chen Hegao (7115 7729 7559)]

[Text] Vienna, 17 Jun (XINHUA)—As of 17 June, the World Conference on Human Rights had been in session for four days. Delegates from more than 100 countries took the floor during the conference's general debate, elaborating on their respective views on the human rights issue. Differences in principle persisted between the viewpoints of developing nations and those of Western countries.

In their speeches, all delegates hoped the current conference would help peoples of all countries to fully enjoy human rights and basic freedoms, and they expressed their willingness to strengthen international cooperation in the human rights field. However, delegates attending the conference expressed different views on issues concerning the concept of human rights, the theory of human rights, human rights and development, human rights and national sovereignty, development of a human rights interference mechanism, and how to ensure that all people can fully enjoy human rights.

On the concept and theory of human rights, some developing nations maintained that human rights is a complete concept—it encompasses individual and collective rights as well as economic, social, and cultural rights—and that importance should especially be placed on the right to survive and develop. On the other hand, Western countries emphasized that civil and political rights exist as universal human rights.

Whether human rights or development should be given priority also was an important issue debated at the conference. Developing countries contended that the biggest challenge facing them is development, and that only after a nation is developed can the situation of individual and collective human rights be improved. As Singapore's foreign minister pointed out: "You cannot first give freedom to someone with an empty stomach and then let him find something to eat." The United States, France, and other Western countries contended that "freedom is a prerequisite for development" and "freedom and democracy" should be practiced before seeking development.

On the criteria for judging human rights, developing countries pointed out that, because each country has its own history, economic situation, and culture, a nation's human rights situation should not be judged using a single model as a criterion. But, Western countries maintained that the criteria for judging human rights are unified and that regional and national characteristics should not be used as a pretext for violating human rights.

Singapore, Syria, Pakistan, Nigeria, Cuba, and many other countries criticized Western nations for adopting a double standard on the human rights issue—supporting or conniving at large-scale human rights-violations committed by some countries in invading or occupying other countries, and in practicing racist or colonialist policies.

On human rights and national sovereignty, some Western countries preached that "human rights have no national border" and that the international community has "the right to intervene" in and "show concern" for any country's human rights violations. For this reason, they called for establishing an international intervention mechanism, for appointing a "human rights high commissioner," and for setting up a "human rights court."

In their speeches, developing countries emphatically pointed out that every country, based on its respective national conditions, has the right to choose its own political system, course of development, and concept of values, and that other countries have no right to interfere. However, some developing countries also favored the establishment of a human rights intervention mechanism to carry out international intervention in large-scale human rights violations, such as those which occurred in occupied Arab territories and the former Yugoslavia.

The aforementioned differences in principle and different perceptions of human rights not only were reflected in the conference's general debate, but also in drafting the conference's final documents. According to people involved in drafting the documents, because various countries refused to make concessions on issues of principle, the document drafting committee had heated disputes from the time it began work 4 days before, and the committee had not completed the first stage of work on discussing and revising the 30-page draft document.

At the same time, delegation heads of some countries that had delivered speeches at the conference had begun to leave Vienna for home. The marathon general debate of the conference continued daily until midnight. In the day time, the conference hall was almost empty—only one-third of the seats were occupied. Even fewer delegates attended the conference at night. People are not optimistic about whether the conference will achieve its expected objectives.

### Debate on Rights Examined

*OW2006180393 Beijing XINHUA Domestic Service in Chinese 0710 GMT 20 Jun 93*

[“Roundup” by reporters Zhang Zhengdong (1728 1767 2639) and Chen Hegao (7115 7729 7559)]

[Text] Vienna, 19 Jun (XINHUA)—The UN World Conference on Human Rights, which is held once every 20 years, has finished half its schedule. During the general debates of the conference's plenary sessions, several thousand delegates from more than 120 countries and international organizations discussed the achievements and deficiencies in the international human rights field since the “Universal Declaration on Human Rights” was adopted in 1948. Serious differences existed between developing and Western countries on some problems of principle—resulting in a face-off between poor and rich nations and in a heated debate between the South and the North.

The first issue was how to assess the progress and deficiencies in the international human rights field. Delegates of the United States and other Western countries contended that over the past few decades, Western countries achieved greater progress in the human rights field and that the human rights situations in developing countries were unsatisfactory. They therefore asked developing countries to keep up with their Western counterparts. However, developing countries contended that Western countries' assessment was too one-sided and that their asking developing nations to accelerate their democratization processes was simply impractical.

Iranian delegates pointed out: Western countries do not have the right to establish the guiding principles or norms of action for international human rights because they themselves are unable to present an “admirable human rights record.” Depriving women and children of their rights, child prostitution, drug abuse, pornography, racial discrimination, crimes of violence, and other human rights violations are still quite serious in Western countries.

Singapore Foreign Minister Wong Kan Seng contended that Western countries' asking developing nations to ignore their historical and economic conditions to mechanically copy the Western countries' political model is impractical. He said: The United States gained its independence in 1776; however, until 1788, only people who had paid their election and property taxes were allowed to vote. It was not until 1920 that American women were allowed to vote, and Africans with U.S. citizenship were not allowed to vote before 1965. How can the United States and some other Western countries ask countries who gained independence in this century to mechanically copy their “democratic” model of today?

Delegates of developing nations hoped that Western countries would “clean up their own yards” before commenting on the human rights situations in developing countries.

The second issue was how to handle the relationship between human rights and democracy and development. Western countries maintained that development can only be promoted by democracy and human rights, which also can be practiced in economically underdeveloped countries. But, developing countries held that for a country and nation, the right to survive and develop is the most basic human right, and that before a country can secure its right to survive and develop, democracy and human rights are completely out of the question.

The Malaysian foreign minister said many developing countries are still striving to feed and educate their peoples and to improve their public health conditions; therefore, how can people without proper social and economic requirements enjoy democracy and human rights?

Mauritanian Prime Minister Boubaker said: The current struggle for human rights is actually a struggle for development, because the biggest challenge facing developing nations is the lack of an economic foundation for developing a democratic and equal society.

Gambian President Jawara said poverty is an obstacle to enjoying total human rights and the international community should place primary importance on the right to develop and on making economic and social progress.

Developing countries urged the international community to endeavor to build a fair and reasonable new international economic order, to create a good international economic environment for developing countries' economic takeoff, and to gradually narrow the gap between the South and the North—the biggest obstacle to securing the right to develop.

The third issue concerned the relationship between human rights and national sovereignty. Delegates from developing nations denounced Western propositions about "human rights having no national boundaries" and "the principle of noninterference in internal affairs not being applicable to the human rights issue." The Indonesian foreign minister said: Discussions on the human rights issue can only proceed from the basis of respect for state sovereignty. No country should use the so-called human rights issue to make groundless charges against other countries. The Bangladeshi foreign minister pointed out: In the international human rights domain, the acts of those who force their concept of human rights on others will only produce negative effects on the universal attainment of human rights.

In their speeches, some delegates from developing countries criticized Western countries for their double standard in handling the human rights issue, and opposed their attaching human rights preconditions to aid.

The fourth issue was about how to strengthen the human rights mechanism and preserve international peace and security. Western delegates advocated the establishment of an "international human rights tribunal" and a "high commissioner on human rights" to deal with some

countries' actions that "violate human rights." However, delegates from developing nations insisted that the international community should be primarily concerned with large-scale, brutal human rights infringements resulting from foreign aggression and occupation, and put an end to trampling on human rights under colonialism, racism, and the apartheid system.

This was the most focused, heated debate on the human rights issue in the past 20 years. This was not a casual argument; behind the debate were considerations for different political and economic interests. It is hard to bridge the differences, and when the general debate continues next week, battles of words and diplomatic negotiations might be unavoidable.

#### Western Rights 'Violations' Noted

OW1906024693 Beijing XINHUA in English 0224  
GMT 19 Jun 93

[Text] Vienna, June 18 (XINHUA)—Differences over the concept and understanding of human rights have triggered off heated debates as the U.N. World Conference on Human Rights entered its fifth day on Friday [18 June].

In their speeches, delegates from the West showed their dissatisfaction with the "human rights record" in developing countries and called on these countries to improve it.

They also proposed the establishment of an international tribunal to "judge human rights abuses" in individual nations.

The conference should decide to appoint a high commissioner for human rights, they demanded.

In face of the accusations, which they regarded as unfounded, many developing countries cited human rights violations in the West to fight back.

Referring to the Western call for "full democracy and full realization of human rights" in developing countries, Singaporean Foreign Minister Wong Kan Seng said the United States gained independence in 1776, but only those who paid the poll tax or property tax had the right to vote from 1788.

He said U.S. women obtained the right to vote only in 1920, 144 years after the nation's independence.

"It was not until 1965 that the African-Americans can vote freely after the voting rights act suspended literacy tests and other voter qualification devices which kept them out," he noted.

It took the United States, Britain and France 200 years or more to evolve into "full democracy," he said. "Can we therefore expect the citizens of the many newly independent countries of this century to acquire the same rights as those enjoyed by the developed nations when they lack the economic, educational and social pre-conditions to exercise such rights fully?"

Wong said Singaporeans, and people in many other parts of the world, do not agree that pornography is an acceptable manifestation of free expression or that homosexual relationship is just a matter of lifestyle choice.

Cuban Foreign Minister Roberto Gonzalez said in a press interview that while Western countries often accuse a group of developing countries of violating human rights, few Westerners mention the child prostitution, drug abuses, racial discrimination in their countries and those "who were killed in Los Angeles."

Iranian Deputy Foreign Minister Mohammad-Javad Zarif said the political predominance of a group of countries in international relations cannot provide "a license for imposition of a set of guidelines and norms for the behavior of the entire international community."

Representatives from many Arab countries accused the United States and other Western countries of encouraging Israel to commit human rights violations in occupied territories.

Amid criticism by developing countries, representatives from Western countries admitted they have their own human rights problems.

U.S. Secretary of State Warren Christopher said, "in 1968, when the U.S. delegation arrived at the first world conference (on human rights in Teheran), my country was reeling from the assassination of Martin Luther King, Jr."

Former U.S. President Jimmy Carter said at the meeting that it was "originally freedom and equality for white people only" in the United States. "It was 98 years later that the United States ended slavery for its black citizens," he said.

"Currently, the world has a long way to go," he said. "The United States has a long way to go."

German Foreign Minister Klaus Kinkel said, "the xenophobic outrages of the last two years have appalled me and my countrymen."

In the past few days, the drafting committee, which is in charge of working out a final document for the conference, has made little progress owing to sharp differences between the West and developing countries over the principles of major human rights issues .

#### **FAO Head: Right to Food 'Fundamental'**

OW1906025093 Beijing XINHUA in English 0156  
GMT 19 Jun 93

[Text] Vienna, June 18 (XINHUA)—The right to food should be recognized as the most fundamental of all human rights, a senior U.N. official said here today.

Addressing the World Conference on Human Rights which began here Monday [14 June], U.N. Food and Agriculture Organization (FAO) Director-General

Edouard Saouma said malnutrition afflicting hundreds of millions of people is "scandalous" because the world possesses sufficient resources to feed everyone adequately.

According to the latest analysis by FAO, global food production increased by 1.7 percent last year and there are grounds for cautious optimism for world food security despite regional food shortages largely caused by military conflicts.

Current cereal stocks are estimated to be slightly above 17 percent of consumption, the minimum considered by FAO for world food security, it says.

Saouma stressed not only the right of mankind to freedom from hunger, but also the right to an adequate and healthy diet.

"If you hold the right of every man, woman and child to an adequate and wholesome diet at all times, and if you affirm the respect of this right as the collective duty of all people, all countries and the international community as a whole, then you will have added yet another shining stone to the pyramid you are building today," he said.

Saouma added that there can be no human rights for a person debased and defeated by hunger.

He urged the conference to reaffirm the right of each individual to be free from hunger.

#### **Removal of Development Obstacles Urged**

OW2106122293 Beijing XINHUA in English 1139  
GMT 21 Jun 93

[Text] Vienna, June 21 (XINHUA)—Representatives from developing countries at the human rights conference have urged the removal of the widening economic gap between the poor South and rich North, calling it the biggest obstacle to the right to development.

They made the appeal during a general debate of the United Nations World Conference on Human Rights, which resumed here today after a weekend recess.

The debate, which began on June 14, has been focused on the issues including the relationships between human rights and development and between the human rights and the internal affairs of states.

The developed countries ignored at the debate the increasing gaps between the North and South and regarded the realization of human rights as a precondition for development.

The developing countries, however, urged the international community to narrow the gaps, which they described as the biggest obstacle to the realization of the right to development.

"The gap between the developed and developing countries has further widened," said Malaysian Foreign Minister Datuk Abdullah bin Haji Ahmad Badawi.

Increasingly, the policies of the North are constraining the developmental objectives of the South and seriously undermining their economic growth, he said.

"Human rights and democracy are meaningless in an environment of political instability, poverty and deprivation," said the Malaysian minister.

The minister said that for many developing countries, meeting the basic needs for food, shelter, education and health still remain a daily struggle.

In such situations, civil and political rights have little meaning without their social and economic underpinning.

Soecil Girjasing, minister of justice of Suriname, said it is regrettable that the developing countries cannot fully control their economy in today's circumstances.

"The world economic crisis has had a negative and harmful impact on the economies of the developing world and compounded our economic and social problems," he said.

Mary Grant, a Ghananian representative, said that the economic disparity between the North and the South made the enjoyment of human rights by the vast majority of the world's population a distant dream.

In addition to stressing the importance of realizing the right to development, representatives from African states expressed their concern over the economic crisis in Africa.

"On the economic front, Africa is faced with a major challenge. The challenge which daily demeans our dignity and our integrity as nations—the challenge of poverty," said Kenyan Foreign Minister Stephen Musyoka.

Between 1980 and 1992, sub-Saharan Africa's debt more than tripled to 180 billion U.S. dollars.

Among the world's poorest countries, 32 percent are in Africa, the only region in the world where the proportion of people in poverty is rising.

Senegalese Foreign Minister Moustapha Niasse [position and name as received] said that the plight of millions of children living in poverty and suffering from lack of basic services deserves attention.

The unfavorable international economic environment was detrimental to the enjoyment of human rights in developing countries, said Emmerson Mnangagwa, minister of justice, legal and parliamentary affairs of Zimbabwe.

However, "almost all their resources were used to service enormous external debts, at the cost of the advance of human rights," he added.

Representatives of the developing countries also urged the international community to take actions to narrow the gaps between the North and South.

The concept of human rights means nothing to those who are homeless or hungry, said Yemenian Foreign Minister Muhammad Salem Basundwa [position and name as received].

The international community must develop mechanisms to enable the countries of the South to overcome poverty, he said.

The international assistance to the developing countries must in no way be subjected to preconditions, he said, because the economic, political and social transformations of each country must take place according to its own objectives.

#### Rights Conference Marks Year of Indigenous People

OW1906025593 Beijing XINHUA in English 0152  
GMT 19 Jun 93

[Text] Vienna, June 18 (XINHUA)—The World Conference on Human Rights met this morning to commemorate the International Year of the World's Indigenous People.

In December 1990, the U.N. General Assembly adopted resolution 45/164 proclaiming 1993 as the International Year for the World's Indigenous People.

Speaking at the commemorating meeting here, Alois Mock, president of the human rights conference, said that indigenous people, who occupied the most delicate and fragile environments of the globe, held the key to the future sustainability of life on earth.

"They had been pushed aside and marginalized, their language lost, their culture threatened and their lands laid waste, all in the name of progress," he said.

Ibrahim Fall, secretary general of the conference and coordinator of the international year, said that in many countries the indigenous people lived on the periphery of society and were citizens in name only and they were among the poorest in society.

"The international community was obliged to rectify that discriminatory situation," he said.

Fall said that the international year was designed to make public opinion aware of the problem and contribute to a solution based on a partnership with those peoples.

Regional representatives of indigenous people at the meeting called for protection of their rights.

#### Editorial Decries 'Double Standards' on Rights

HK2106091493 Hong Kong WEN WEI PO in Chinese  
18 Jun 93 p 2

[Editorial: "What Is the Focus of Differences at the Human Rights Conference?"]

[Text] At the World Conference on Human Rights in Vienna some Western countries, out of consideration for their own strategic interests, set unified standards on human rights according to Western political and economic patterns and value concepts. They granted themselves the right to explain human rights and use human rights as a pretext to impose pressure on and interfere in the internal affairs of others. Whereas many developing countries, including China, maintained that because different countries' histories, cultures, value concepts, and economic development varied greatly, Western countries should not force their human rights standards and patterns on developing countries; for developing countries, the right to development is an important component of human rights; different countries should carry out equal dialogue and cooperation on the human rights issue; and Western countries should not be allowed the right to unilaterally examine others on the human rights issue.

There are now over 1 billion poor people in developing countries. Of these, 633 million are in Asia and 204 million are in Africa. In view of this situation, at the human rights conference, developing countries pointed out that if a country's economy is backward, its society is turbulent, and its people are under the threat of famine and diseases. Talking about democracy, freedom, and individual human rights lacks a basis and, therefore, the right to subsistence and the right to development are the most basic human rights. Some Western countries only stressed individual human rights and civil political rights while playing down individual and civil economic, cultural, and social rights. They even denied and opposed the collective rights of a race or country such as the right to subsistence, the right to development, and sovereignty falling into the category of human rights.

Eastern and Western countries differ on many aspects of human rights but their differences focus on the relations between human rights and state sovereignty.

At the human rights conference, some Western countries continued to advocate the concepts that "human rights have no state boundaries," "human rights may flow abroad," and "human rights are higher than sovereignty." They proposed exercising "human rights and humanitarian intervention rights" in other countries and attempted to make preparations for the establishment of an international human rights intervention mechanism to manipulate it for interference in others' internal affairs, whereas developing countries resolutely opposed using the human rights issue to interfere in others' internal affairs. They pointed out that the human rights issue is, essentially speaking, an issue under a country's jurisdiction and that an international document on the human rights of a country can only come into force through that country's legislation and administrative measures, instead of being imposed on that country from the outside. Developing countries proposed that only by

observing and respecting state sovereignty and the international practice of noninterference in others' internal affairs, can the implementation of human rights be really guaranteed.

As a matter of fact, on the question of the human rights issue being in the category of state sovereignty, Eastern and Western countries are no exception when their sovereignty and interests are involved. The only difference is that some Western countries, relying on their powerful national strength, can use the human rights issue as a pretext for break into other states' boundaries and can thus force their strategic interests, political system, and ideology on developing countries. But when their state sovereignty and interests are involved, these Western countries adopt double standards on human rights. For example, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights are the most important, internationally recognized international human rights documents. However, during debate, the U.S. Congress explicitly indicated that these covenants cannot violate U.S. sovereignty or contradict U.S. law. This obviously shows that when the United States wants to interfere in others' internal affairs, it loudly chants "human rights are higher than sovereignty" but, when its own sovereignty and interests are involved, this becomes "sovereignty is higher than human rights." One more example: The United States submitted a Blue Book on Human Rights to the United Nations in February this year criticizing the human rights status of more than 150 countries but this book does not mention a single word about the many problems regarding its own human rights status. This is a typical practice of double standards.

These double standards on human rights adopted by the United States and other Western countries have undermined equal dialogue and cooperation between countries on the human rights issue. By so doing, they have also violated the sovereignty of developing countries. At the beginning of this conference, politicians from some Western countries proposed that the Dalai Lama be present but this did not happen because of China's serious objection. This shows the sharply differing views between the East and the West on human rights and that there is inequality between them on the question of morality and righteousness. For example, some Western politicians slanderously said that China's measures to improve the Tibetans' human rights are "opposing human rights." They turn a blind eye to the Chinese Government's efforts in allocating huge sums of money and sending scientific and technological personnel to Tibet (not as immigrants to Tibet but merely replacing one group with another) each year to support its economic development and improve the Tibetans' lives. Chinese law securely protects the Tibetans' human rights and does not allow lamas to enslave the Tibetans. When the Dalai Lama ruled Tibet, he brutally practiced the slave system and now, while living in exile abroad, he is carrying out separatist activities. This is against the

Tibetan people's fundamental interests and wishes. However, some Western politicians support his separatist activities. This not only violates Chinese sovereignty but also supports the Tibetan religious privileged class headed by the Dalai Lama in enslaving the Tibetans again and in turning the 2 million Tibetans into slaves without the slightest human rights. Is this propagating or strangling human rights? We believe it is not difficult to tell who is right and who is wrong.

Obviously, the focus of differences between Eastern and Western countries at the human rights conference suggests that righteousness is on the side of the developing countries. Developing countries oppose some Western countries in using the human rights issue to interfere in others' internal affairs. This conforms with the UN Charter and other important international documents and is also beneficial to the healthy development of international human rights activities. The World Conference on Human Rights should fully consider and portray the reasonable understanding and demand for human rights of the developing countries, whose population accounts for the majority of the world's population, and should seek common ground, reserve differences, and promote international human rights in the spirit of equal dialogue and cooperation under the principle of respecting state sovereignty and noninterference in others' internal affairs.

#### Jiang Zemin Receives Agricultural Fund Head

OW1906115893 Beijing XINHUA in English 1131  
GMT 19 Jun 93

[Text] Beijing, June 19 (XINHUA)—Chinese President Jiang Zemin met and had a cordial talk with F.H. Al-Sultan, president of the International Fund for Agricultural Development (IFAD), at the Great Hall of the People here today.

Jiang extended congratulations to Al-Sultan on his being elected IFAD president in January this year. He said that since it joined the IFAD in 1980, China has always maintained good relations of cooperation with it.

Jiang expressed appreciation for the IFAD providing China with loans and helping China's underdeveloped areas boost economy.

He expressed hope that the IFAD and China will expand their fruitful cooperation.

Briefing Al-Sultan on China's economic development over the past few years, Jiang said since it began reforms and opening to the outside China has made fairly fast progress in economic development.

Nevertheless, he said, its regional economic development is still unbalanced because of its big population and vast territory.

He said that the International Monetary Fund recently listed China as the third economic power in the world in accordance with a new statistical method. "In my view,

this is obviously an overestimation of China's economic strength and does not conform to reality."

Al-Sultan said the IFAD is willing to further its cooperation with China, adding that he hoped China will continue to accelerate its reform process and achieve greater successes especially in developing agriculture and helping the poor areas to boost economy.

Liu Jiang, Chinese minister of agriculture, attended the meeting.

Al-Sultan and his party arrived here on June 17 on a visit as Liu's guests.

#### State Councillor Peng Peiyun Meets UNICEF Consultant

OW1906093493 Beijing XINHUA in English 0926  
GMT 19 Jun 93

[Text] Beijing, June 19 (XINHUA)—Chinese State Councillor Peng Peiyun met and had a friendly conversation with David P. Haxton, consultant to the United Nations Children's Fund (UNICEF), here this afternoon.

Haxton arrived here June 12.

#### Reportage on Economic, Trade Talks in Shandong

##### Jiang Chunyun, Kim Yong-sam Aide Attend

SK2106090393 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 20 Jun 93

[Text] The 1993 economic and trade talks of China opened in the Shandong International Trade Center that stands on the beach of Huiquan Bay in Qingdao city.

Attending the opening ceremony for the talks were Jiang Chunyun, member of the CPC Central Committee's Political Bureau and secretary of the Shandong CPC Committee; Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province; Han Xikai and Yu Zhengsheng, members of the provincial party Standing Committee; Song Fatang and Wang Yuxi, vice governors of the province; and responsible persons from the provincial people's congress and the provincial Chinese People's Political Consultative Conference committee, including Guo Songnian and Wang Yuyan.

Also attending the opening ceremony were Rep. Choi Hyong-u of the Democratic Liberal Party of the ROK; foreign guests and Overseas Chinese from more than 40 countries and regions; and compatriots from Hong Kong, Macao, and Taiwan—more than 2,500 persons in total.

The talks held in Qingdao this year are another large-scale activity involved in economic relations with foreign countries following the province's economic and trade talks in Hong Kong and the United States in the first half and the Spring Export Trade Fair held in

Guangzhou. From their opening, the economic and trade talks have given expression to the spirit of dealing with matters relating to work and stressing high efficiency.

At 0900 that morning, when the responsible person of the leading group in charge of the economic and trade talks announced the opening of the talks, Young Pioneers who were lined up along both sides of the No. 1 exhibition hall waved their fresh flowers amid the jubilant playing of the band to extend welcome to the guests. Provincial leaders including Jiang Chunyun and Zhao Zhihao accompanied the honored guests from domestic places and foreign countries entering the exhibition hall, in which there are more than 560 stands neatly displaying more than 1,800 products. All of these products enable those attending to find something fresh and new, and 1,464 units participating in the exhibition greeted more than 2,000 domestic and foreign honored guests who are participating in the talks. Many foreign businessmen at the talks have discerned from more than 2,000 cooperative projects shown that Shandong's pace in opening up has been faster than that in any year. They are full of confidence in expanding their investments and conducting cooperation with Shandong.

#### **Jiang Chunyun Briefs ROK Group**

SK2106090593 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 20 Jun 93

[Text] On the morning of 20 June, Jiang Chunyun, member of the CPC Central Committee's Political Bureau and secretary of the Shandong provincial party committee, received in Qingdao the ROK economic observation group, including Rep. Choi Hyong-u of the ROK Democratic Liberal Party.

During the reception, Jiang Chunyun first briefed the Korean guests on the economic cooperation conducted by Shandong and ROK over the past few years. He urged the Korean economic group to do much promotion work and to bring along the Korean circles of industry, commerce, finance, as well as science and technology to enhance their cooperation and exchanges with Shandong. Rep. Choi Hyong-u of the ROK Democratic Liberal Party said their visit to Qingdao this time has again made them find that China, Shandong, and Qingdao have achieved greater development and progress. After returning to their country, they will do a good job in various fields to improve the cooperation between the ROK and Shandong.

Attending the reception were leading comrades from the provincial level organs, including Han Xikai, Yu Zhengsheng, and Song Fatang.

#### **Vice Governor Holds News Briefing**

SK2106104393 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 20 Jun 93

[Text] Following the opening ceremony for the 1993 economic and trade talks of China in Qingdao, Vice Governor Song Fatang sponsored a news briefing in the

No. 2 exhibition hall of the Shandong International Trade Center on the morning of 20 June. Attending the news briefing were a number of foreign businessmen, personnel from the provincial economic and trade commission, leaders of the delegations from various cities and prefectures, and reporters from more than 30 journalist units—more than 600 persons in total.

Song Fatang delivered a speech at the news briefing in which he said: Since the enforcement of reform and opening up over the past dozen years, Shandong Province has basically formed the pattern of opening itself to the outside world in all directions and at multiple levels. The contents of opening up have expanded from primary and secondary industries to tertiary industry and from the economic field to the fields of science and technology as well as culture. The province's total volume of exports and imports last year reached \$5.7 billion and that scored in the first five months showed a 17.6 percent increase over the same period of 1992. The number of foreign-funded enterprises has reached more than 11,000 and the volume of foreign capital involved in the contracts has reached \$8.2 billion. The number of enterprises established overseas has reached more than 180. Shandong has become one of the popular places in the country, achieving great development of foreign-funded enterprises.

After briefing the participants on the province's increasingly perfect environment of investments, Vice Governor Song Fatang chiefly disclosed the province's nine focal points of introducing information and conducting economic and technical cooperation with foreign countries. They include the development of agricultural resources; the construction of foundations of telecommunications and communications; the technical renovations of textile, foodstuffs, and daily necessities industries; the construction of industries with strong points and with the chemical industry as a backbone industry; the development of smelting of steel and iron; the construction of industries of machine-building, electric goods, and building materials; the construction of tertiary industry; the encouragement and development of highly scientific and technical projects and conducting of large-scale land development; the labor cooperation with foreign countries and the contracting of international construction work; and the all-out efforts to develop enterprises overseas.

#### **Song Fatang Speaks With ROK Reporters**

SK2106104293 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 20 Jun 93

[Text] On the morning of 20 June, Vice Governor Song Fatang accepted the requests for interviews raised by the reporters of the six Korean journalist units stationed in Beijing, which include KYONGHYANG SIMMUN, TAEGU MAEIL, SEOUL SINMUN, SAEKYE ILBO, The Korea Broadcasting System, and the Seoul Broadcasting System.

In answering the questions raised by the Korean reporters, Song Fatang said: The economic and trade cooperation between Shandong and the ROK began in 1988. During the short period of five years, both sides have achieved rapid development and gratifying achievements in the cooperation. By the end of May this year, the number of Korea-funded enterprises in Shandong reached 429 and the volume of Korean capital involved in the contracts reached \$365 million. The Korean investments in Shandong involve various industries and trades in the province. The 1992 trade volume scored by Shandong in both exports and imports with the ROK occupied fourth place and was just behind that of Hong Kong, Japan, and the United States. Song Fatang said: Shandong Province has attached great importance to the exchanges and cooperation with the ROK and regarded them as the focal points of contacts with foreign countries. He sincerely urged the Korean reporters to do much work in introducing Shandong Province to the Korean people and various social circles and publicizing the province's situation. He also urged them to make contributions to expanding the exchanges and cooperation between Shandong and the ROK to more fields.

On the afternoon of 20 June, Yu Zhengsheng, member of the provincial party Standing Committee, secretary of the Qingdao city party committee, and mayor of Qingdao city, accepted, in the Huanghai Hotel in Qingdao, the interview requests raised by the Korean reporters stationed in Beijing and answered the questions raised by the reporters with regard to the economic and trade contacts between Qingdao and the ROK.

**'Death' of Vance-Owen Plan for Bosnia Viewed**  
*OW1906135293 Beijing XINHUA in English 1332  
GMT 19 Jun 93*

[Roundup by Yuan Bingzhong: "Death of Vance-Owen Plan Marks Turning Point in Bosnia Peace Process"]

[Text] Geneva, June 19 (XINHUA)—Lord Owen, an envoy of the European Community (EC), admitted on June 17 the death of the Vance-Owen plan for peace in Bosnia and expected leaders from ex-Yugoslavia to meet on June 23 to discuss new proposals.

This marks a turning point in the Bosnia peace process. The West has pressed the Serbs for months to sign the peace plan and now the mediators, Owen and Thorvald Stoltenberg, agreed to the proposal made by Serbs and Croats to change the plan.

The plan, proposed by Owen and his former colleague Cyrus Vance in January in Geneva, include a map, constitutional principles, a ceasefire and interim administration arrangement.

It divides Bosnia-Herzegovina into ten provinces, taking into account of ethnic and other considerations. Each ethnic group will have their three provinces which were dominated by the group. The country will be a decentralized state.

After a series of negotiations in Geneva and New York, two of the three Bosnian conflicting parties, Croats and Muslims accepted the four-part package. But the Serbs rejected it, demanding a Serb republic in Bosnia.

In order to force the Serbs to sign the whole package, the U.S. and its Western European allies imposed all kinds of pressures on the Bosnian Serbs.

The North Atlantic Treaty Organization (NATO) imposed a no-fly zone in April with its fighters from the U.S., Britain, France and Turkey prepared to shoot any Serb planes. The UN Security Council passed a resolution strengthening sanctions against Belgrade.

Moreover, the U.S. were also persuading its allies to dispatch ground troops to cooperate with its airforce to attack the positions and heavy weapons of the Serbs. It also plans to lift the arms embargo against the Muslims.

Then came a war-criminal tribunal. Radovan Karadzic, the Bosnian Serb leader, was named by the U.S. "a war criminal" to be tried.

Under all these pressures, on May 2, Karadzic signed the peace plan in Athens. But it was rejected in mid-May by the Bosnian Serb parliament and the signature was invalid.

But the "no" from the Bosnian Serbs has not caused any military attacks from the West. On May 22, the U.S., Russia, France, Britain and Spain announced a common action plan in Washington, abandoning their military intervention plan and criticism against the Serbs lessened.

The Vance-Owen plan is dying. On June 16, leaders from ex-Yugoslavia, including Croatian President Franjo Tudjman, Serbian President Slobodan Milosevic and Bosnian President Alija Izetbegovic held a secret "summit" meeting in Genthod close to Geneva.

After the closed-door meeting, the Serbs and the Croats announced that it was agreed that they would propose modifications to the key part of the Vance-Owen plan. Next morning, Owen officially declared a funeral to the plan.

The death of the Vance-Owen plan points to an inability by the West to solve the Bosnia crisis or to change its own strategy, if any, regarding the peace process. It also points to how the West cannot influence world events as it hopes, even though the Cold War is over.

Analysts believe the main causes of the plan's failure are as follows:

Firstly, the Vance-Owen plan was too idealistic. The reality in Bosnia was that conflict was worsening day-by-day. After the plan was introduced, all three sides fought fiercely for more land before it was to go into effect.

In addition to the fighting in eastern Bosnia, the Muslims and Croats were killing each other in central Bosnia such that the plan caused conflict to escalate throughout the ex-Yugoslavia. It is little wonder that Owen said the plan was "torn up by all three sides before our very eyes."

Secondly, the plan was not able to be implemented because no common policy existed among the Western nations. However, the Serbs would have agreed to the plan, if one of the Western nations had been willing to endanger its own soldiers to see the plan implemented.

At the same time the U.S. hoped its European allies would go and fight because Washington saw the crisis as a European issue, the Europeans hoped the U.S. would take the lead. In the end, no one dared tread on the Balkans, nicknamed "the tinderbox," to oppose the Serbs' territorial ambitions.

Thirdly, only the Muslims wanted to keep Bosnia integrated with three historically mixed ethnic groups. Both the Serbs, backed by Belgrade, and Croats, backed by Zagreb, upheld a "confederation of three constituent nations."

As Karadzic had said, "cats and dogs cannot be put into the same box"—the Serb dogs would rather die for their own nation than live together with the Muslim cats in a box controlled by Muslims.

However, the road to peace in Bosnia was not made smoother by the death of the Vance-Owen plan. On June 17, the day after the Geneva summit, Izetbegovic said he would not take part in negotiations on proposals put forward by the Croats and Serbs.

The mediators, in response to Izetbegovic's words, asked him to "look at the matters seriously" and to continue to participate in the June 23 peace talks.

Media reports say the Bosnian Serbs and Bosnian Croats are allied against the Bosnian Muslims, who could change their leadership if Izetbegovic were replaced by Fikret Abdic, a member of the Bosnian presidency.

Even if such a leadership change were to happen smoothly, analysts say it would not represent peace for Bosnia.

### Central Eurasia

**More on Talks Between Wu Yi, Tajik Counterpart**  
**HK1906043993 Beijing CHINA DAILY in English 19 Jun 93 p 2**

[Report by staff reporter Chang Weimin: "Promising Trade With Tajikistan"]

[Text] The trade ministers of China and Tajikistan said yesterday that business ties between the two nations have had a good start and have great potential.

Wu Yi, Chinese Minister of Foreign Trade and Economic Cooperation, and K.K. Saliyev, Tajikistan's Minister of Trade and Material Resources, said they would like to upgrade the two nation's ties.

Wu and Saliyev chatted at a ceremony to sign a contract settling a \$5.3-million loan from China to Tajikistan.

Tajikistan has agreed to use the special loan to buy Chinese-made food and every day consumer goods.

The contract is an extension of an agreement the countries signed in March.

The China National Corporation for Overseas Economic Cooperation is to supply the goods for Tajikistan.

Wu said the Chinese side will try to make deliveries as soon as possible to the central Asian nation, adding that transportation difficulties have not yet been resolved.

Tajikistan has agreed to repay the loan with either minerals or cash. But Wu said she expects trade with Tajikistan will develop from barter to cash.

China's Corporation for Overseas Economic Cooperation will guarantee that the goods will be delivered this year.

Wu and Saliyev also discussed economic cooperation options including direct investment.

Saliyev said his country, rich in minerals and cotton, needs investment and technology to process the materials.

Wu told the Tajik minister that China has the know-how and the equipment to suit Tajikistan's requirements. The Tajiks process only 9 percent of their cotton; the rest is exported raw.

Saliyev, who is heading a delegation of five officials in China for a seven-day visit, will talk with the China National Corporation for Overseas Economic Cooperation about the deal.

Chinese and Tajik officials said that letters of intent will probably be signed before the Tajik delegation group leaves on Sunday. Today's talks will cover proposals that Tajikistan buy Chinese-made goods of other kinds, such as television sets and cloth.

Wu said that the economies of China and Tajikistan are complementary to each other, and that great potential exists for bilateral trade.

China, one of the world's leading tea producers, could meet the needs of the tea-loving Tajiks.

### Work Group on Sino-Russian Border Trade Ends Talks

OW1906074993 Beijing Central People's Radio Network in Mandarin 1030 GMT 18 Jun 93

[By station reporters Bi Guochang and Yang Zaohuan; from the "National Hookup" program]

[Text] The permanent work group on Sino-Russian regional border economic and trade cooperation ended its first meeting in Harbin yesterday. With mutual understanding, both sides scored constructive achievements in a friendly and practical atmosphere.

In 1992, the value of Sino-Russian trade was more than \$5.86 billion, setting a new record. In the first quarter of this year, the momentum for growth in bilateral trade was still strong.

In order to develop Sino-Russian economic and trade cooperation and improve the border stations along the Sino-Russian borders, the permanent work group suggested that relevant departments of both sides should formulate joint measures to expedite expansion of the two existing border railway stations, and to vigorously promote sea and container transportation. The work group also suggested that relevant departments of both sides strengthen cooperation in exchanging information regularly, and take joint measures to prevent shoddy and fake products from entering each other's markets.

### Fair Promotes Sino-Russian Border Economic Ties

OW2106041093 Beijing XINHUA in English 0312 GMT 21 Jun 93

[Text] Harbin, June 21 (XINHUA)—The Fourth China Harbin Border Economic Relations and Trade Fair has seen promotion of Sino-Russian economic cooperation.

The fair opened on June 15. The previous three fairs focused on barter trade with business worth about 10 billion U.S. dollars being written.

In the first five days of this year's fair contracts for 171 economic projects were signed worth 583 million U.S. dollars.

They include such big cooperation projects as the building of a steel factory in Guangdong, deal among the Heilongjiang Trade Company, a Hong Kong steel company and a Russian company.

Heilongjiang's economic partners have increased from the Commonwealth of the Independent States and East European countries to Japan, the Republic of Korea, Singapore, Thailand, Hong Kong and Taiwan. The fields of cooperation have ranged from engineering projects and the provision of labour to establishing Sino-foreign joint ventures, energy development, technical upgrading and science and technological cooperation.

During the fair, Sino-Russian economic cooperation came to the fore. Experts say that promotion of Sino-Russian economic cooperation is the trend of their border trade development.

Since 1992 the value of the economic and technological cooperation projects in the Sino-Russian border areas has reached 1.19 billion U.S. dollars.

### Heilongjiang Vice Governor Meets Novosibirsk Group

SK1906094893 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 18 Jun 93

[Text] On the morning of 18 June, Vice Governor Wang Zongzhang met with the Novosibirsk Oblast Government delegation headed by Vice Governor (Bafulin) at Hepingcun Hotel.

Vice Governor Wang Zongzhang extended welcome to the delegation on behalf of the provincial government.

Vice Governor (Bafulin) said: The Russian people are very interested in Heilongjiang's products, especially handicraft articles and light and textile products. He expressed the hope that, by taking advantage of the opportunity of this trade fair, he would establish more contacts with the Chinese businessmen and bring more Chinese products back to his country.

## Northeast Asia

### Japan's Miyazawa Loses To No Confidence Vote

OW1806130893 Beijing XINHUA in English 1225 GMT 18 Jun 93

[Text] Tokyo, June 18 (XINHUA)—Prime Minister Kiichi Miyazawa decided to dissolve the lower house of parliament after he lost to a vote of no confidence in parliament tonight.

An emergency cabinet meeting requested by Miyazawa unanimously supported his decision and called for a snap elections in July.

The no-confidence motion, which passed 255-220, brought to a head months of wrangling over how to clean up Japan's corruption-ridden electoral system. It also underscores a power struggle that threatens to split the Liberal Democratic Party after almost four decades in power.

### Lower House To Be Dissolved

OW1806145193 Beijing XINHUA in English 1354 GMT 18 Jun 93

[Text] Tokyo, June 18 (XINHUA)—Prime Minister Kiichi Miyazawa decided tonight to dissolve the House of Representatives for a July general election.

Miyazawa made the decision at an extraordinary cabinet session after he failed to survive a no-confidence vote against his government.

Under Japan's constitutional rules, either the cabinet must resign en masse or the lower chamber must be dissolved within 10 days of a no-confidence vote.

The lower house will be dissolved at a plenary session later tonight when Speaker Yoshiro Sakurai reads an imperial edict on the Diet dissolution.

Of the total 479 incumbent lower house members, 255 approved the motion while 220 opposed it. Twenty-two members didn't take part in the vote.

Among the 247 ruling Liberal Democratic Party (LDP) members, 39 voted for the motion and 16 abstained from the vote, said party sources.

All 35 members of a faction led by former Finance Minister Tsutomu Hata within the LDP approved the vote. The move marked a permanent split within the LDP which has ruled Japan since its founding in 1955.

The opposition camp, led by the largest Social Democratic Party of Japan, made the no-confidence motion against the Miyazawa administration Thursday after the prime minister had failed to carry out his frequent pledge of political reform by the close of the current Diet session on Sunday.

#### **Emperor Signs Dissolution Notice**

OW1806141893 Beijing XINHUA in English 1401  
GMT 18 Jun 93

[Text] Tokyo, June 18 (XINHUA)—Emperor Akihito signed the Cabinet notice of dissolution of the lower House of Representatives this evening after its defeat in a confidence vote.

Live television showed an emissary from the palace entering the chamber bearing the formal notice of dissolution signed by Emperor Akihito.

A general election must now be held within 40 days, according to the constitutional rules.

#### **ROK Refuses 'Full-Fledged' DPRK Economic Ties**

OW2006181393 Beijing XINHUA in English 1636  
GMT 20 Jun 93

[Text] Seoul, June 20 (XINHUA)—South Korea said today that it will not have a full-fledged economic cooperation with DPRK until it returns fully to the Nuclear Non-Proliferation Treaty (NPT).

A government official quoted President Kim Yong-sam's as saying that there could be no substantial progress in inter-Korea relations without a resolution to the nuclear issue.

The South Korean Government said earlier that it would allow businessmen to visit the DPRK and permit economic cooperation programs with Pyongyang if a "breakthrough" could be made in the resolution to the nuclear issue.

But the official said the recent withholding by the DPRK of its withdrawal from the NPT cannot be taken as being sufficient enough to be a breakthrough.

"The government has tentatively reached the conclusion that there could be a breakthrough only when DPRK returns to the NPT, accepts special nuclear inspections by the International Atomic Energy Agency (IAEA) and agrees on rules for mutual inter-Korean nuclear inspections," the official said.

The DPRK and the United States reached an agreement at their fourth round of high-level talks in New York recently that Pyongyang suspended its decision to quit the NPT.

#### **Southeast Asia & Pacific**

##### **Malaysian Prime Minister Leaves Xinjiang for Yunnan**

OW1806223693 Beijing XINHUA in English 1446  
GMT 18 Jun 93

[Text] Urumqi, June 18 (XINHUA)—Visiting Malaysian Prime Minister Mahathir Mohamed left here this afternoon and flew to southwest China's Yunnan Province to continue his China visit.

The prime minister and his entourage, accompanied by Zhang Haoruo, head of the reception committee of the Chinese Government and minister of internal trade, were warmly received by the government of the Xinjiang Uygur Autonomous Region.

During their stay in Urumqi, the Malaysian guests visited the the Xinjiang History Museum, a carpet factory and a petrochemical plant.

The prime minister and his entourage also visited the Xinjiang Institute of Islamic Theology and offered prayers in a local mosque.

Tomur Dawamat, chairman of the regional government met with the prime minister and his party Thursday [17 June] and hosted a banquet for them.

In the two-day visit here, Malaysian businessmen, who were accompanying Mahathir on his visit, held business talks with their Xinjiang counterparts, while the Malaysian artists presented dances and songs for the local audience.

### Kunming Arrival Reported

BK1906052093 Kuala Lumpur BERNAMA in English  
0308 GMT 19 Jun 93

[By Abdul Rahman Sulaiman]

[Text] Kunming, June 19 (OANA-BERNAMA)—Malaysian Prime Minister Dr. Mahathir Mohamed arrived here late Friday to begin a two-day tour of China's southwestern province of Yunnan on the third leg of his 10-day official visit of the republic.

The prime minister and his wife, Dr. Siti Hasmah Mohamed Ali were received at the airport by the governor of Yunnan, He Zhiqiang, the vice-governor, Liu Jing, and other senior members of the provincial government.

Accompanying the prime minister's official party are several ministers and a 143-member business delegation.

Saturday, Dr. Mahathir will hold talks with He Zhiqiang at the hotel where he is staying here, visit a local drug rehabilitation centre and tour the famous stone forest outside this provincial capital.

The Yunnan province has a population of 37 million and frontiers stretching 4,060 km with Myanmar [Burma], Laos and Vietnam.

### Malaysian-Chinese Friendship Body Adviser Interviewed

HK1806123993 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1354 GMT 17 Jun 93

[By staff reporter Li Zongbo (2621 1350 0590)]

[Text] Beijing, 17 Jun (ZHONGGUO XINWEN SHE)—Recently, Malaysian Prime Minister Mahathir led a large delegation to China and signed with China over 30 documents on cooperative projects. His visit has opened a new chapter in the annals of friendship between Malaysia and China.

To mark the success of this historic visit, Tuan Datuk Seri [dan si li nan du 0030 2448 6849 2169 4206] Huang Wen-pin, honorary adviser to the Malaysian-Chinese Friendship Association and president of the Malaysian-Chinese Federation of Industrial and Commercial Chambers, held a grand banquet in Beijing's Great Hall of the People, attended by 800 people from both the Malaysian and Chinese sides.

During an interview with this reporter, Huang Wen-pin indicated: I feel deeply honored and proud to be able to hold such a grand banquet in the Great Hall of the People here in Beijing, and to do something useful to promote the friendship between Malaysia and China.

After reviewing the history of longstanding friendship between the Malaysian and Chinese peoples, Huang Wen-pin said: Mohamed tells us that if you want to acquire knowledge, go to China. Over the past decade

and more, Huang Wen-pin himself has come to China a dozen times to acquaint himself with China's reform and opening up; and when he returns to Malaysia, he always informs his Malaysian friends of all circles of what he has seen and heard in China.

Founded in December 1992, the Malaysian-Chinese Friendship Association has Malaysian Prime Minister Mahathir as its guardian [jian hu ren 4148 6233 0086], Huang Wen-pin as honorary adviser, and writer Dr. Arhvang [a wang 7093 2489] as president.

Huang Wen-pin told this reporter that the Malaysian-Chinese Friendship Association held on 30 April this year a "Friendship Night" evening party attended by over 1,000 Malaysian and Chinese guests, including Malaysian Prime Minister Mahathir, Wu Shaozu, minister of the Chinese State Physical Culture and Sports Commission; Chen Haosu, vice president of the Chinese People's Association for Friendship With Foreign Countries; and Chinese Ambassador to Malaysia Jin Guihua. The atmosphere was unprecedentedly grand.

He indicated that one of his major achievements during this China visit with the prime minister was the signing of a memorandum of understanding with the Chinese-Malaysian Friendship Association. He noted that both Malaysia and China will abide by relevant laws and regulations of the two countries; promote bilateral cooperation and development in the cultural, education, economic, social, sports, and scientific fields on the basis of mutual respect for sovereignty, noninterference in each other's internal affairs, and mutual benefit; and arrange mutual visits and exchanges for the aforementioned professionals.

With his original family home in Fujian's Quanzhou, Huang Wen-pin was born into a poor family in Malaysia. Through years of arduous efforts, Huang Wen-pin has become a timber dealer and community activist enjoying a high reputation in Malaysia. His outstanding achievements scored over the past decade since he took the post of president of the Malaysian-Chinese Federation of Industrial and Commercial Chambers have won him great respect from people of industrial and commercial circles in many places around Malaysia. Acting as a "nongovernment diplomat," Huang Wen-pin is highly regarded by senior state leaders of both Malaysia and China for his efforts in promoting friendship between Malaysia and China.

During recent years, Huang Wen-pin has devoted himself to helping Chinese enterprises invest in Malaysia. A thermal power plant with an investment of \$100 million, which was initiated by Huang Wen-pin and undertaken by China, will soon go into operation, while another hydroelectric power plant project with an investment of \$1 billion is also in full swing.

Huang Wen-pin added that during his China visit with the prime minister this time, he was deeply impressed by the unforgettable perfect harmony between the leaders of the two countries and between the two peoples.

**Thai Supreme Patriarch Arrives in Beijing**

*OW2006125893 Beijing XINHUA in English 1154  
GMT 20 Jun 93*

[Text] Beijing, June 20 (XINHUA)—Somdet Phra Nyanasamvara [name as received], religious leader of the Thai Buddhists, arrived here by air this afternoon for a 12-day visit to China at the invitation of the Chinese Government.

This is the first visit to China by a Thai supreme patriarch so far.

As Thailand is a Buddhist country, the Thai supreme patriarch is highly respected by both the Thai people and the Thai royal family.

Among those present at the airport to greet the Thai supreme patriarch were Zhang Shengzuo, director of the Bureau of Religious Affairs under the State Council, Chinese Vice-Foreign Minister Tang Jiaxuan and some 20 Chinese Buddhist monks led by Master Ming Yang, Standing Committee member of the National Committee of the Chinese People's Political Consultative Conference and vice-president of the Buddhist Association of China.

Kirkchai Rayanasukwongse [name as received], charge d'affaires ad interim of the Thai Embassy in China was present on the occasion.

**Welcoming Religious Service Held**

*OW2106142093 Beijing XINHUA in English 1406  
GMT 21 Jun 93*

[Text] Beijing, June 21 (XINHUA)—More than 400 Chinese Buddhists gathered at a religious service at the Guang Ji Temple here today to warmly welcome Somdet Phra Nyanasamvara [name as received], religious leader of Thailand's Buddhists.

Buddhists of the two countries burned incenses and recited scriptures at the temple, the seat of the Chinese Buddhist Association, to pray for world peace and the happiness of the people.

After the service, Zhao Puchu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and president of the Buddhist Association of China, met with the Thai supreme patriarch and his party, who arrived here yesterday for a 12-day visit at the invitation of the Chinese Government.

Zhao extended heartfelt respects and a warm welcome to the Thai supreme patriarch on behalf of the Chinese Buddhist Association and millions of Buddhists in the country.

"The visit is an unprecedented event in the history of Sino-Thai Buddhist contacts, and it will add great impetus to exchanges between Buddhists of the two countries," Zhao said.

The Thai supreme patriarch said, "I longed for a visit to your country, which has now materialized."

He said that his visit would enhance friendship and contacts between Thai and Chinese Buddhists.

During the meeting, the two sides also exchanged presents.

Zhang Shengzuo, director of the Bureau of Religious Affairs under the State Council, was present at the meeting.

Also in the afternoon, the Thai supreme patriarch visited the palace museum.

**Thailand May Reinforce Units Along Cambodian Border**

*OW2006043593 Beijing XINHUA in English 0416  
GMT 20 Jun 93*

[Excerpt] Bangkok, June 20 (XINHUA)—Thai task force units along the Thai-Cambodian border may be reinforced to boost their capability to ensure security for Thai residents there, a Thai deputy defense minister said.

Deputy Defense Minister Maj. Gen. Sombat Rotphothong told local press reporters on Saturday [19 June] that the length of the border—600 kilometers—has made it very difficult for the task forces to effectively suppress armed robbers preying on Thai residents.

The units will be beefed up at spots where they are most needed, he said.

It was reported that ten armed Cambodians suspected of being robbers stopped a pickup truck carrying three Thais by firing a warning shot as the truck approached a roadblock they had set up on Aranyaprathet road in Prachin Buri Province. [passage omitted]

**Yunnan's Tianbao Border Crossing Reopens to SRV**

*OW2006125393 Beijing XINHUA in English 1221  
GMT 20 Jun 93*

[Text] Kunming, June 20 (XINHUA)—China re-opened today the Tianbao border crossing, in southwest Yunnan Province, to facilitate greater access to Vietnam.

This is the second port in Yunnan Province to be re-opened to Vietnam since May of this year.

Located in the Wenshan Miao Autonomous Prefecture, the Tianbao port is an important passageway from Yunnan to Hanoi, the capital of Vietnam. Beyond Tianbao port is Thanh Thuy port of Vietnam.

China and Vietnam have agreed that the reopening of the Tianbao and Thanh Thuy ports will increase cross-border business, and entrepot trade.

During the period from the 1950s to the early 1970s, the Tianbao port was an important site for Sino-Vietnamese trade and for contact between officials of the two countries.

After a ceremony to mark the reopening of the Tianbao port, a delegation headed by Niu Shaoyao, vice-governor of Yunnan Province, passed the Tianbao border crossing to begin a friendly visit to Vietnam.

**NPC's Lu Jiaxi Meets Philippine Parliamentarian**

*OW2106103993 Beijing XINHUA in English 0952  
GMT 21 Jun 93*

[Text] Beijing, June 21 (XINHUA)—Lu Jiaxi, vice-chairman of the Standing Committee of China's National People's Congress (NPC), met with Camilo L. Sabio, secretary-general of the Philippine House of Representatives, and his delegation here today.

This morning, Cao Zhi, secretary-general of the NPC Standing Committee, met and had a talk with the delegation from the Philippine House of Representatives.

The 10-member delegation arrived here yesterday on a 10-day visit to China as guests of the General Office of the NPC Standing Committee. They are also scheduled to visit Xian and Shanghai.

**Rong Yiren Receives Kiribati Assembly Speaker**

*OW2106082593 Beijing XINHUA in English 0715  
GMT 21 Jun 93*

[Text] Beijing, June 21 (XINHUA)—Chinese Vice-President Rong Yiren said here today that China is willing to peacefully coexist and develop economic ties with countries all over the world including Kiribati on the basis of equality and mutual benefit.

At a meeting with Beretitara Neeti, speaker of the parliament of Kiribati, in the Great Hall of the People, Rong said he was pleased to see that China and Kiribati have maintained good relations since they established diplomatic ties in 1980.

Noting the frequent exchange of visits between the senior officials of the two countries and the increases in economic contacts in recent years, Rong said there exist big potentials for the growth of bilateral economic ties.

He expressed hope that the two sides will often exchange views and increase mutual understanding so as to push such ties forward.

Rong expressed appreciation of Kiribati's consistent stand on "one China".

Neeti stressed that Kiribati attaches great importance to developing its relations of friendly cooperation with China.

Wu Jieping, vice-chairman of China's National People's Congress (NPC) Standing Committee, attended the meeting.

Neeti arrived here on June 19 on a visit at the invitation of the NPC Standing Committee.

**Near East & South Asia**

**Spokesman Announces Border Talks With India, Bhutan**

*OW1906090993 Beijing XINHUA in English 0815  
GMT 19 Jun 93*

[Text] Beijing, June 19 (XINHUA)—A Chinese delegation headed by Vice-Foreign Minister Tang Jiaxuan will attend the 6th round of talks of the Sino-Indian joint working group on the boundary question in New Delhi from June 24 to 27.

The delegation will also participate in the 9th round of the Sino-Bhutanese boundary talks in Thimbu from June 28 to 30.

This was announced here today by a Chinese Foreign Ministry spokesman.

**Li Lanqing To Promote Gulf Trade Ties**

*HK2006051593 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 20 Jun 93 p 1*

[Article by Qu Yingpu: "Li Lanqing To Promote Gulf Trade"]

[Text] Vice-Premier Li Lanqing is leaving for the Gulf region tomorrow to promote trade, investment and the export of labour.

On his first trip abroad as vice premier, Li is expected to consult with the government of Iran and members of the Gulf Co-operation Council (GCC)—the United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar and Kuwait—on bilateral ties, especially economic and trade relations.

In an exclusive interview with Business Weekly over the weekend, Li said negotiations with the oil-rich GCC countries will include investment protection pacts.

After such pacts are signed, he said, mutual investment is expected to surge.

Gulf companies have reportedly expressed keen interest in investing in China. For example, China and Saudi Arabia are negotiating for an oil refinery project in Shandong Province.

During his visit, Li will also lead the delegation to the seventh session of the Sino-Iranian Economic, Trade and Technical Co-operation Committee.

Accompanying Li will be the heads of the China National Petroleum Engineering Construction Corporation and top national foreign trade corporations involved in chemicals, textiles, light industrial products, whole sets of equipment, technology, metals and minerals.

Li said the entrepreneurs will conduct wide-ranging business activities with their counterparts in the Gulf region on imports and exports, labour co-operation, contract engineering projects and investment.

GCC nations and Iran are undergoing massive economic construction that needs a "remarkable amount" of foreign equipment and workers, thus providing many business opportunities for Chinese enterprises, he said.

Li said China's economic co-operation and trade with the GCC countries and Iran have advanced rapidly in the last few years, but transactions are small compared with "the huge potential."

The Chinese economy well complements those of the Gulf countries, he said. Petroleum, chemical fertilizers and other oil products are needed in China while Chinese textiles, foodstuffs, light industrial goods, machinery, technology and equipment have big marketing potential in the Gulf countries.

Last year, China's trade with Iran exceeded \$400 million, a record. At the same time, Sino-GCC trade topped \$1.8 billion, of which China's exports accounted for more than \$1.1 billion and imports stood at more than \$600 million. Bilateral trade grew at a brisk rate of more than 20 percent in the first quarter of this year, according to figures provided by the Ministry of Foreign Trade and Economic Co-operation.

More than 2,000 Chinese workers now work in Kuwait and the United Arab Emirates. China has contracted \$67.86 million worth of engineering construction work with the two countries since the Kuwait-Iraq war in 1991.

Chinese labour first entered Kuwait in 1979 and before the war had contracted \$510 million worth of engineering projects.

### State Councillor Li Tieying Meets Iranian Minister

OW106113893 Beijing XINHUA in English 1107  
GMT 21 Jun 93

[Text] Beijing, June 21 (XINHUA)—Chinese State Councillor Li Tieying met with 'Ali Larijani, Iranian minister of culture and Islamic guidance, here today.

The Iranian visitors arrived here June 19. Chinese Minister of Culture Liu Zhongde and Larijani signed an executive plan for cultural exchanges between the two countries for 1993-95 yesterday.

### XINHUA, IRNA Heads on Mutual Cooperation

LD2006171393 Tehran IRNA in English 1656 GMT  
20Jun 93

[Text] Beijing, June 20, IRNA—Heads of the Islamic Republic News Agency (IRNA) and China's XINHUA NEWS AGENCY in a meeting here today stressed strengthening of bilateral cooperation regarding exchange of information.

IRNA Managing Director Fereidun Verdinejad said that IRNA and XINHUA as two of the leading news agencies in the Third World would cooperate for materializing Third World objectives to counter the cultural onslaught of the superpowers and their political and economic hegemony.

Vedinejad said that coordination of views in international communities including the organization of news agencies in Asia and the Pacific was another topic in his agreement with the XINHUA chief.

XINHUA chief, Guo Chaoren, said the Chinese Government attaches more importance to its relations with the Islamic Republic of Iran and is keen on expansion of media cooperation between the two countries.

He also accepted Verdinejad's invitation to visit Tehran.

### Sub-Saharan Africa

#### President of Sao Tome Pays Official Visit

##### Arrives in Beijing

OW1906041293 Beijing XINHUA in English 0319  
GMT 19 Jun 93

[Text] Beijing, June 19 (XINHUA)—President Miguel dos Anjos Trovoada of Sao Tome and Principe arrived here this morning for a week-long official visit to China, at the invitation of Chinese President Jiang Zemin.

President Trovoada's entourage includes Foreign Minister Albertino Homen Sequeira Bragansa and other senior government officials.

Among those greeting them at the airport was Minister Hou Jie of construction, who is chairman of the Chinese Government reception committee.

Later today, President Jiang Zemin is scheduled to preside over a welcoming ceremony and hold talks with Trovoada, who is visiting China for the first time after becoming president.

**Meets Jiang Zemin**

OW1906133293 Beijing XINHUA in English 1314  
GMT 19 Jun 93

[Text] Beijing, June 19 (XINHUA)—Chinese President Jiang Zemin held talks here this afternoon with President Miguel dos Anjos Trovoada of Sao Tome and Principe. Both leaders pledged to further bilateral cooperation in all fields.

The leaders voiced satisfaction with the smooth growth of bilateral relations after the establishment of diplomatic ties between the two countries, according to a Chinese Foreign Ministry official.

Jiang noted that the two countries have conducted fruitful cooperation in various fields. He expressed appreciation for Sao Tome and Principe's attaching importance to relations with China and its adherence to the "one China" position.

"The Chinese Government highly cherishes its friendly relations with Sao Tome and Principe," the Chinese official quoted Jiang as saying. Jiang expressed the conviction that President Trovoada's current visit will serve to deepen mutual understanding and friendship between the two countries.

Discussing the present "complicated international situation," Jiang said that the world is far from peaceful and China stands for the establishment of a peaceful, stable, fair and reasonable new world order.

International relations should be democratized, and all nations, big or small, rich or poor, strong or weak, should be equal members of the international community and entitled to participate in world affairs, Jiang said.

The Chinese president expressed appreciation for Sao Tome and Principe's consistent support for China in international affairs, and said that the two countries can support each other and work together for the establishment of a new international political and economic order.

Trovoada thanked China for its support and selfless economic assistance over the years, and said Sao Tome and Principe attaches importance to ties with China.

Sao Tome and Principe hopes to further strengthen political relations and mutually-beneficial economic cooperation with China, the Chinese official quoted Trovoada as saying.

Prior to the talks, Jiang presided over a ceremony outside the Great Hall of the People to welcome Trovoada. This evening, Jiang hosted a banquet to entertain the guests from Sao Tome and Principe.

**Trovoada Visits Beijing Sights**

OW2006095393 Beijing XINHUA in English 0902  
GMT 20 Jun 93

[Text] Beijing, June 20 (XINHUA)—Visiting President Miguel dos Anjos Trovoada of Sao Tome and Principe and his party visited the Great Wall at the Badaling section this morning and the Imperial Palace in the downtown area here in the afternoon.

They were accompanied by Chinese Minister of Construction and Chairman of the Chinese Government Reception Committee Hou Jie during the visit.

President Trovoada and his party arrived here Saturday morning for a week-long official visit to China at the invitation of Chinese President Jiang Zemin.

**Exchanges Views With Zhu Rongji**

OW2106073493 Beijing XINHUA in English 0642  
GMT 21 Jun 93

[Text] Beijing, June 21 (XINHUA)—Chinese Vice-Premier Zhu Rongji met with President Miguel dos Anjos Trovoada today to exchange views on ways to further bilateral relations, particularly economic cooperation.

Zhu reiterated that China cherishes its friendship and is ready to further cooperation with Sao Tome and Principe, which he said were mutually beneficial and supportive.

Noting that China was "still a developing nation and not rich," Zhu said the limited amount of economic assistance it had accorded Sao Tome and Principe represented an expression of the Chinese people's friendly feelings towards their counterparts in Sao Tome and Principe.

He voiced the hope of expanding bilateral friendly cooperation on the basis of the five principles of peaceful coexistence.

Trovoada expressed appreciation for China's economic assistance and spoke highly of bilateral cooperation in such fields as construction and medium and small enterprises.

Sao Tome and Principe hoped to enhance the mutual understanding and friendship, and strengthen its political, economic and trade ties with China on the basis of equality and mutual benefit, he said.

Trovoada is scheduled to leave for Guangdong today to continue his week-long official visit, which started last Saturday.

**Guizhou Trade Delegation Visits Mozambique**

*OW1606211193 Beijing XINHUA in English 1849  
GMT 16 Jun 93*

[Text] Maputo, June 16 (XINHUA)—A Chinese trade delegation from Guizhou Province, southwestern China, arrived here today for an official visit to the southern African country.

During its stay in Mozambique, the delegation will hold discussions with Mozambican economic departments on bilateral cooperation in the fields of industry, agriculture and tourism.

The Chinese team is here at the invitation of the ruling Mozambique liberation front party.

**Angolan Coastal Areas Opened to Chinese Vessels**

*OW2106031393 Beijing XINHUA in English 0207  
GMT 21 Jun 93*

[Text] Luanda, June 20 (XINHUA)—The Angolan Government has opened some of the country's coastal areas to six Chinese fishing vessels, from Dalian, northern China, which have started working there. Official Chinese sources here said that in exchange, China would consider building an ice-making plant and a freezing storehouse for Angola. China is also considering to update the equipments of a small shipyard of the country.

**Latin America & Caribbean****Cuban Foreign Minister Arrives in Beijing**

*OW1906111993 Beijing XINHUA in English 1108  
GMT 19 Jun 93*

[Text] Beijing, June 19 (XINHUA)—Cuban Foreign Minister Roberto Robaina Gonzalez arrived here by air today to begin his one-week China visit at the invitation of Qian Qichen, Chinese vice-premier and foreign minister.

Among those who greeted him at the airport was Chinese Vice Foreign Minister Liu Huaqiu.

During the visit, the two foreign ministers are expected to hold talks to discuss a wide range of topics including the domestic situations of their respective countries, bilateral ties, regional and international issues.

Qian cited the visit as a chance to help promote the development of bilateral relations when he was interviewed here on June 17 by a Beijing-based Cuban correspondent.

He said in the interview that it is important for China and Cuba to enhance mutual understanding so as to further develop bilateral relations.

The two countries can discuss ways of economic cooperation on a mutually-supplementary, equal and mutually-beneficial basis and according to their realities, Qian said.

Cuba is the first Latin American country that established diplomatic relations with China, and foreign ministers of the two countries exchanged visits in 1989, and the high-level exchanges have increased since then.

**Meets Qian Qichen**

*OW2106103393 Beijing XINHUA in English 0928  
GMT 21 Jun 93*

[Text] Beijing, June 21 (XINHUA)—Chinese Vice-Premier and Minister of Foreign Affairs Qian Qichen and his Cuban counterpart Roberto Robaina Gonzalez held talks at the Diaoyutai State Guesthouse here this morning.

A Chinese Foreign Ministry official quoted Qian as saying that the Chinese Government and people cherish their friendship with the Cuban Government and people.

Through joint efforts of the two sides, the bilateral relations of friendship and cooperation have been strengthened in recent years, on the basis of Five Principles of Peaceful Co-existence, Qian said.

Qian noted that China and Cuba support each other and have cooperated well in international affairs, expressing the belief that the Cuban foreign minister's current visit will serve to enhance bilateral mutual understanding and the existing friendly ties between the two countries.

Qian appreciated Cuba's efforts in developing friendly relations with Latin American countries, following a good-neighbor policy and joining the process of regional integration.

Briefing the Cuban foreign minister on China's reform and opening-up, Qian said that the development of China is a contribution to world peace and human progress.

Qian noted that the Latin American countries have made marked progress over recent years in promoting regional peace and stability, and reviving and expanding economy, and that they have played an increasingly important role in international affairs. He expressed the conviction that the Latin American countries will score new successes in safeguarding their national independence and state sovereignty, enhancing unity and cooperation, developing economy and improving the livelihood of their people.

China attaches great importance to its relations with Latin American countries, and it is willing, along with Latin American countries, to raise the relations to a new high level, said Qian.

Robaina said he is very pleased that his China visit is his first trip abroad after becoming foreign minister, and that Cuba cherishes the friendly and cooperative relations with China.

It is of great importance to maintain regular contact between the two countries, and his China visit is aimed at increasing mutual understanding and promoting bilateral ties, the Cuban foreign minister added.

After the talks, the two foreign ministers attended the signing ceremony of a civil air agreement between China and Cuba, and later Qian hosted a dinner in honor of the Cuban guests, who arrived here Sunday.

### **Beijing-Aided Water Project Completed in Ecuador**

*OW2006070893 Beijing XINHUA Domestic Service in Chinese 1026 GMT 10 Jun 93*

[By reporter Zhang Guangsen (1728 1639 2773)]

[Text] Quito, 9 Jun (XINHUA)—The Portoviejo municipal tap water project—China's largest aid program in

Ecuador—has been successfully completed. A grand ceremony marking the handover of this project was held yesterday.

On behalf of the two governments, Chinese Ambassador to Ecuador Xu Yicong and Albornoz, representative of Ecuadoran President Duran Ballen and the Ecuadoran minister of urban development and housing, signed the handover documents.

Portoviejo is located in El Oro, a southern province in Ecuador, and has only 12,000 inhabitants. It is a famous gold-producing area. For many years, the Amarillo River—the only source of water for this city—was seriously polluted by mercury, cyanide, and other deadly poisonous substances produced during the gold-mining process. Solving the problem of tap water, therefore, became a pressing matter.

Construction of this Chinese-aided Portoviejo municipal tap water project formally began on 17 March 1992. It included the following four parts: water intake, water diversion, water works, and a water supply network. People from all circles in Ecuador spoke highly of the project's rapid completion and high quality.

**Political & Social****Deng Seeking 'Legacy' With 'Selected Works'**

*HK2106025093 Hong Kong SOUTH CHINA MORNING POST in English 21 Jun 93 pp 1, 10*

[Article by staff reporter]

[Text] Patriarch Deng Xiaoping is said to be waging one of his last, and most important, battles—the preservation of his legacy.

Chinese sources said yesterday Mr Deng, who turns 89 in August, had recently given personal instructions for the final editing of The Selected Works of Deng Xiaoping, 1983-1992. A collection of his major speeches and internal writings in the most crucial period of reform, Selected Works is expected to be released next month.

That Mr Deng has been able to give instructions for the final phase of the preparation of the tome is evidence that, despite his steadily declining health, the senior leader still has command of his mental faculties. The thick volume covers directives and speeches Mr Deng gave for the transition of the command economy to a "socialist market economy".

Most significantly, the book contains internal orders that the patriarch issued for the handling of the two most potent challenges to the Chinese Communist Party: the student movements of late 1986 and early 1989.

"I am satisfied with the first half of the book, but not so happy with the latter half," Mr Deng reportedly told the team of editors of Selected Works. "We have to do more work with the later speeches."

It is believed that the second half of the book, which covers circumstances leading to, as well as the quelling of, the June 4, 1989, Tiananmen Square protests, is more problematic because Mr Deng does not want to be implicated in the decision to open fire on the demonstrators.

Chinese sources said Mr Deng had excised material that pointed to his personal role in the deployment of troops against the students and other dissidents in early June 1989. The patriarch also played down his involvement in the decision, in early 1988, to speed up economic development and price reforms, which led to hyperinflation and other disruptions later that year.

The sources added that, by establishing the "perpetual correctness" of his 14-year reform gambit, Mr Deng wanted to ensure that his market reforms would not be slowed down after his death.

The team of editors is led by the vice-head of the party's propaganda department, Zheng Bijian, the former vice-head of propaganda, Gong Yuzhi, and the director of the Central Party Literature Research Centre, Pang Xianzhi. Because of last-minute instructions from Mr Deng, the

volume's publication, originally scheduled for July 1—the "birthday" of the party—had been postponed to late next month or August.

The sources said the Chinese propaganda machinery would launch a nationwide campaign to "earn from Deng Xiaoping thought", upon the release of the volume. "Deng thought is seen as the mos' powerful weapon that can bind the nation together at a time when the country is on the verge of being pulled apart by economic difficulties," a Chinese source said.

"For example, senior cadres would invoke Deng thought to urge regional officials and entrepreneurs to do their part in controlling hyperinflation and the runaway money supply." The campaign to learn from Deng thought will be led by President Jiang Zemin, who is eager to use his status as the patriarch's designated her to consolidate his position.

In the past two months, Mr Jiang has masterminded high-level seminars on Deng thought held in Shanghai, his power base. Chinese sources said that while Mr Deng's mind remained lucid, his physical health continued to be unsatisfactory.

"Deng is suffering from senile conditions, comparable to those affecting Mao (Zedong) in the last months of his life," a political source said. "He had a bad fall, which might have been triggered by a minor stroke, in the spring. While he has recovered from that fall, his conditions will not allow him to travel out of Beijing any time soon." The source said Mr Deng had become more and more dependent on his children and on members of his office for information, and for the drafting of instructions that were later issued in his name.

In 1983, Mr Deng published Selected Works of Deng Xiaoping 1975-1982, which was launched as a "guiding light" for the nation's bid to achieve modernisation. He has repeatedly given instructions that the official verdict on the June 4 incident not be overturned.

**CPC Elders 'Criticize' Deng for Deviation**

*HK1806142593 Hong Kong HSIN PAO in Chinese 18 Jun 93 p 28*

[“Beijing Political Situation” column by Jen Hui-wen (0117 1979 2429); written in Beijing on 15 June 1993: “CPC Elders Criticize the Deng Xiaoping Line for Leaning Toward the Right”]

[Text] During a southern tour last year, CPC de facto [shi ji 1395 7139] leader Deng Xiaoping advised high-level CPC leaders to focus their efforts on the central task of economic construction instead of engaging in disputes. He said: "Refraining from disputes is my invention. The purpose of refraining from disputes is to gain time for our work. If we engage in disputes, problems will become complicated, time will slip by in the course of disputes, and nothing will be accomplished. With no disputes, we can make bold experiments and

bold endeavors. This is the way with rural reform, as with urban reform." But at a time when the inflation rate is high and the economic situation is grim, some CPC elders and conservatives are casting doubts on the nature of the road China is taking; whether it is taking a "socialist" or a "capitalist" road. They even suspect the correctness of the Deng Xiaoping line. The tree prefers calm, but the wind does not subside. A dispute seems inevitable.

#### **Song Renqiong Incites the Conservatives To Make Trouble**

An informed source in Beijing disclosed that in early May about 60 ministerial-level cadres from the CPC Central Committee and the ministries, commissions, and offices of the State Council, including the retired Wang Bingqian and Gao Di, jointly wrote a letter to Deng Xiaoping and the CPC Central Committee's Political Bureau criticizing central and local leaders for craving greatness and success, for being hotheaded, and for giving indiscriminate guidance, adding that if this continues, the situation in the entire national economy will become grimmer than in 1988. Party organizations and ideology are on the brink of separation from Marxism and communism; if this is not rectified and a clean administration is not introduced, the party's cause will fail, the letter points out.

Song Renqiong, former vice chairman of the Central Advisory Commission, in the capacity of a veteran party member, a veteran soldier, and a veteran comrade, wrote a letter entitled "My Appeal" to Deng Xiaoping, Chen Yun, Peng Zhen, Yang Shangkun, Bo Yibo, and Wan Li asserting that the entire party is now facing the option of whether it should keep the four adherences or not and whether the four adherences should be put into effect or remain as words only and be in fact abandoned; the entire country is facing the option of what road to take, to take a socialist road with Chinese characteristics or a capitalist road with Chinese characteristics. Song Renqiong also encouraged former members of the Central Advisory Commission and its Standing Committee, more than 40 in all, to jointly write a letter to the CPC Central Committee's Political Bureau asking whether or not party building should be based on Marxist theory and whether or not the socialist road should be upheld in economic construction. The letter points out that now is the crucial moment.

#### **CPC Elders Say the CPC Is Degenerating to the Right**

The informed source said that a CPC elder who had always supported the Deng Xiaoping line finally "turned against him" and proposed views contrary to Deng Xiaoping's; this was very unexpected to Deng Xiaoping. In mid-April, this CPC elder told Deng Xiaoping: "I am worried about the problems the party is having in economic construction and other work. Has our guiding thinking deviated from socialism? Is our party carrying out self-evolution? As I see it, it is experiencing an evolution and deviating from the foundation of the

socialist system to the right. If we do not alter this promptly, our socialist society will thoroughly degenerate one morning in the near future."

Prior to Labor Day on 1 May, Political Bureau Standing Committee members Jiang Zemin, Qiao Shi, and Hu Jintao visited him. He told them: "Comrades in the entire party should be made to understand that the final purpose of the socialist cause we are carrying out is to realize communism; the economic construction we are carrying out is socialist economic construction; the economic structural reform we are carrying out is a socialist economic structural reform; and the political structural reform we are carrying out is a reform to further improve, consolidate, and develop the socialist political structure. In short, we are carrying out four socialist modernizations and not any other kind of modernization, and the road we are taking should only be the socialist road. This point is quite important and should be used to measure and examine people in the party repeatedly."

#### **Deng Xiaoping Explains Again the View of Refraining From Disputes**

At a regular meeting of the CPC Central Committee's Political Bureau in mid-May, Jiang Zemin relayed Deng Xiaoping's answer to the criticism of the present overheated economy and the demand for cooling down. The answer said: "There is no such thing as overheating in the overall economic development. Today's situation is different from the overheating in 1988. Why are some people in the party always doubtful about expediting economic development, deepening reform, and widening the opening up scope and why do they not agree to these? Why do they not want to change their minds? There are such people among the elderly and in middle-aged leadership circles as well. If this tendency is not corrected, it will ruin our cause."

At a meeting of Political Bureau members and state councillors recently, Jiang Zemin relayed Deng Xiaoping's remarks, expressed in Laoshan of Qingdao, Shandong Province, as follows: "Comrade Xiaoping pointed out that our present development orientation is correct and healthy. I say we should not dispute whether what we are doing is of a socialist or a capitalist nature, but some people still want to dispute this. I hope everyone will remember that we should not waste our time disputing whether we are deviating from the orientation or not and whether the line is correct or not. We should continue to do a good job in the central task of economic construction. Do not divert into other directions. If we miss the opportunity and waste our time, this will exactly be a big mistake in orientation."

On another occasion, Deng Xiaoping said: "As far as problems in China are concerned, the biggest lesson is that in the past we did not firmly seize the central task of economic construction. Pounding economic construction seemed to be very reasonable, but the economy is the most reasonable thing among all other reasonable

things. In resolving all problems in China, this is the thing we must rely on. This is the basic judgment. Unless there is a big war, at no time in the future must we retreat from this basic judgment or do our work differently." "Do not waste our time and efforts disputing who is right and who is wrong on temporarily unclear questions with no hope of settlement. Refraining from disputes is beneficial to unity and to concentrating our efforts on construction. From now on, whoever makes trouble in the ideological field will be dismissed from office. These people cannot be put in important positions. Even after all of us (CPC elders) die, some problems still cannot be disputed."

Quite obviously, Deng Xiaoping always persists in the central task of economic construction and the view of refraining from disputes. He has time and again explained the reason for upholding this view. Unquestionably, he hopes that high-level CPC leaders will spend their time and efforts on construction, instead of wasting them on disputes. It was reported that in mid-May Chen Yun said in Shanghai that he "agreed not to dispute," but added that "a distinction should be made between whether something being done is of a socialist or a capitalist nature." Viewing this, a dispute will be inevitable on the economic development orientation and development rate during the Third Plenary Session of the 14th CPC Central Committee at the end of June or in early July, with an agenda of "several questions concerning the establishment of the socialist market economic structure."

However, people in Beijing political and economic circles predict that Deng Xiaoping will not allow a dispute over whether something being done is of a socialist or a capitalist nature. Regarding the development rate, it is believed that the plenary session will seek a consensus according to Deng Xiaoping's instructions on the development rate during his southern tour, which read: "Unrealistic development rates are not encouraged; we will have to carry out development in a down-to-earth manner with stress on results, steadiness, and coordination." This will not run counter to Deng's demand for "seizing the opportunity for big development" and will also serve the purpose of preventing an overheated economy from arising, and an economic dispute from triggering a political crisis.

#### Vice Minister Called 'Culprit' in Bribery Case

HK2006071593 Hong Kong MING PAO in Chinese 19 Jun 93 p 6

[Special dispatch by special correspondent: "Li Xiaoshi, Vice Minister of State Science and Technology Commission, Accused of Being Culprit in Changcheng Electric Machinery Company Case"]

[Text] CPC senior authorities decided that the official media of Beijing can "expose to light" the arbitrary fund pooling by the Changcheng Electric Machinery Company, a nonstate-run enterprise, in days to come. It has

been learned: The government-run RENMIN RIBAO will publish special commentaries on the role of reporters involved in the case to criticize paid reporting and stress the ethics of journalism. Li Xiaoshi, vice minister of the State Science and Technology Commission [SSTC] and director of KEJI RIBAO [Science and Technology Daily], who was arrested the other day, has been confirmed to be the "culprit" in the case. The number of officials (including retired cadres) at the department- and bureau-head levels involved in the case reaches over 200.

It was disclosed recently that the case of the Changcheng Electric Machinery Company has been a rather big shock among the press in Beijing, that so far six reporters involved in the case have been arrested for investigation, and that Li Xiaoshi is the highest-ranking official ever arrested in relation to the case.

The Changcheng Electric Machinery Company is a non-state-owned enterprise set up by the northerners Shen Taifu and his wife. With many years of painstaking work, the company set up branches in over 20 provinces and cities across the country and had hundreds of millions of yuan in assets. And it was once the largest nonstate-owned science and technology enterprise on the mainland. Last year, the company pooled funds in the form of "technology contracts" and solicited funds at as high an annual interest rate as 24 percent, and succeeded in absorbing nearly 1 billion yuan in funds. This last February, the People's Bank of China froze the company's assets for "arbitrary fund pooling." For this reason, Shen Taifu brought a suit against Li Guixian, president of the People's Bank of China and state councilor. Later, he planned to sell the company by public auction abroad. The whole matter became a focus of reporting by Beijing media and persistently caused a sensation until April, when authorities arrested Shen Taifu and strictly forbid the media from reporting the case.

It is said that the authorities have now charged Li Xiaoshi, as SSTC vice minister, with having accepted profits from Shen Taifu in return for his ideas and plans, that he is the "culprit" in the case, and that six other reporters under investigation are also suspected of having accepted bribes and of giving publicity about Shen Taifu.

It has been disclosed that Shen Taifu's Changcheng Electric Machinery Company once employed a large number of retired cadres from various ministries and commissions of the State Council. It has been found that over 200 cadres (including retired cadres) at the department- and bureau-head levels are involved in the case.

Unconfirmed news say that although Shen Taifu's fund pooling activity was said to have violated banks' fund-pooling regulations, SSTC officials held that it conformed to the relevant regulations of the Technology Contract Law. The law was mainly advocated by incumbent SSTC Vice Minister Deng Nan, daughter of Deng

Xiaoping. Moreover, Deng Nan and Song Jian, state councillor and SSTC minister, once supported the development of the Changcheng Electric Machinery Company. Whether or not the case will involve them is not known yet, but the fact that the authorities have decided to allow the media to "expose" the case "to light" shows they intend the case to end soon.

As for the funds pooled by the Changcheng Electric Machinery Company, part has been used up, so the authorities plan to allocate special funds to return the money where possible. It is said that senior authorities have instructed that although it may not be possible to return all of the funds, they must make symbolic compensations and do their best to prevent the occurrence of a "chain reaction" or turmoil.

#### Dissident Protests 'Forced Exile' in Letter

OW1806131393 Tokyo KYODO in English 1257 GMT  
18 Jun 93

[Text] Beijing, June 18, KYODO—A former Chinese pro-democracy movement leader has made an open protest to the Chinese Government for having the deprivation of his political rights extended and for being forcibly removed from his work and banished from Beijing, according to a letter obtained by KYODO NEWS SERVICE.

Ma Shaofang, 30, said in the letter he was forcibly sent from Beijing to his hometown in Jiangdu County, Jiangsu Province, on April 22, 1993.

He was one of the 21 students placed on a "most wanted" list immediately after the military crushed the 1989 Tiananmen demonstrations.

In the three-page letter, Ma said that he was given no reason for his forced exile and that he has been refused permission to return to Beijing where he was a vice president of a trading company.

In a written protest addressed to Vice Premier Qiao Shi, signed June 14, 1993, Ma declares that he has been illegally deprived of his constitutional right to exist and to work and that the deprivation of his political rights had been arbitrarily extended.

Sentenced to three years in prison for his involvement in the pro-democracy movement, Ma was released last June with his political rights to be reinstated on June 13.

#### 'Officials' Report 'Violence' Over Land Claims

HK1906061893 Hong Kong AFP in English 0547 GMT  
19 June 93

[By William Brent]

[Excerpt] Beijing, June 19 (AFP)—In another sign of growing unrest in rural China, villagers along the Yellow River have clashed over rival land claims and forced the authorities to intervene.

The worst violence broke out May 29, when dozens of farmers in Henan Province, armed with clubs, beat up officials from a rival village, local officials told AFP Saturday [19 June]. The number of injured was put at five to eight.

Paramilitary and regular police were dispatched to the area several days later "to prevent further violence," a public security official in Zhengzhou, the provincial capital, said. The Henan authorities also set up a special investigation team to deal with the dispute, which involved farmers in Mengjin and Meng Counties, about 150 kilometers (90 miles) west of Zhengzhou, the official said. "The authorities are attaching great attention to this," he added.

In a separate dispute also involving land claims, farmers near Luoyang blocked a highway for nine hours, during which they stopped vehicles to demand money that was then used to purchase weapons, one official said. At least five other disputes involving public land along the Yellow River have been reported in Henan. The land, used for wheat, is highly sought after for its fertile soil. "Boundaries between many counties have never been clearly marked," said a government official in Luoyang, which administers Mengjin. "There was a bumper crop this year and both sides wanted to reap the profit." "The work team is in the process of drawing new boundaries," he added.

The unrest in Henan is the latest in a series of violent incidents in China's vast countryside, home to 900 million peasants, or four of every five Chinese. The discontent is in large part due to abuse by local officials, who have either levied dozens of unauthorized taxes on farmers or diverted agricultural funds for personal gain—leaving farmers with IOUs for the crops.

The situation has become more volatile since China adopted a market economy late last year. The end of four decades of strict central planning has created confusion across China, particularly in rural areas. Hundreds of farmers rioted in Sichuan Province early this month to protest being overtaxed for building a new highway, attacking government buildings and torching vehicles. [passage omitted]

#### 'Officials': Students Demonstrate To Free Teacher

HK2006073193 Hong Kong AFP in English 0637 GMT  
20 June 93

[Text] Beijing, June 20 (AFP)—Chinese high school students demonstrated in April in Hunan to liberate a jailed professor, officials said, in the first serious bout of student unrest since the pro-democracy movement was crushed in 1989.

One thousand students at a school in Loudi, 100 kilometers (62 miles) southwest of the provincial capital of Changsha, protested on April 10 in front of the municipal headquarters and Communist Party premises. The

site is not far from Shaoshan, the city in the south-central province where Mao Zedong was born.

The students were demanding, and obtained in a few hours, the liberation of Zhu Jianman, a professor condemned one day earlier to 15 days in prison for attacking court officials, provincial sources said.

A local government spokesman, speaking by telephone, confirmed that the protest had taken place. He said it had not been put down and that the students numbered "just under 1,000." "Following the demonstration, authorities acted to have Zhu released," the official said.

The incident comes to light amid other reports of violence in China's countryside which observers say points to a simmering malaise in rural provinces left behind in the race towards modernization by the cities and coastal areas.

Local officials in Henan Province said Saturday [19 June] that villagers along the Yellow River clashed over rival land claims and forced the authorities to intervene.

Zhu had been arrested, sentenced and thrown in prison on April 9 after an altercation at the school with two court officials, Ou Yang and Wei Xuefang.

Versions differed on the fight, which also led to Zhu being sentenced. Some people said the officials had spit on Zhu from their car as they passed the teacher riding his bicycle to school in the afternoon. When Zhu found them at the school and asked them for an explanation, they answered with insults and began to beat him up, before taking him to the court where he was jailed, sources said. The court, in its report on the event, found that Zhu had not allowed the car to pass him despite repeated soundings of the car horn. The officials denied they had spit on the teacher and said Zhu had been the first to start the fight.

In the morning, when the students learned that their teacher had been imprisoned, around 1,000 of them began a spontaneous march before police had a chance to intervene. After forcing his release, the students and the majority of teachers asked in writing for reparations for the wrongs done to Zhu. They also demanded that an inquest "be opened on the incident and on the actions of the two policemen in contempt of the law." More than 70 professors signed the petition.

The court however has placed the blame on Mao Hui, the school's principal, saying he incited the students to take to the streets.

"We can't have the riots and the chaos of June 4 take place in Loudi," said the court in a reference to the suppression of the 1989 pro-democracy movement, which ended in bloodshed on the night of June 3 to 4 that year.

No largescale student demonstration has taken place since then.

## NPC Standing Committee To Meet From 22 Jun To Examine Draft Bills

*OW1906104893 Beijing XINHUA Domestic Service in Chinese 0517 GMT 19 Jun 93*

[Text] Beijing, 19 Jun (XINHUA)—Zhou Chengkui, spokesman for the National People's Congress [NPC] Standing Committee General Office, disclosed today that the committee will meet to examine a draft PRC Law of Guarding Against Illegitimate Competition, a draft law submitted by the State Council meant for maintaining the economic order in the socialist market, encouraging and protecting fair competition, and protecting business operators' legitimate rights and interests.

Zhou Chengkui said: The NPC chairman and vice chairmen have decided at a meeting that the Eighth NPC Standing Committee will hold its second session in Beijing on 22 June, and that the session will last approximately 11 days.

According to the spokesman, the chairmanship meeting has proposed to place the discussion of the draft law on the session's agenda. The meeting also proposed that the following items be placed on the agenda: The deliberation of the draft law for scientific and technological advancement, the draft law for the popularization of agricultural technology, the draft agricultural law, and the draft NPC Standing Committee's supplementary regulations for punishing crimes of producing and marketing counterfeit and inferior products; the hearing of a report on the views toward the draft corporation law; the deliberation of the State Council's request for deliberating on the amendment to the Economic Contracts Law, the draft NPC Standing Committee decision on establishing a preparatory work organ for the Hong Kong Special Administrative Region Preparatory Committee, the draft NPC Standing Committee decision on the Portuguese version of the Basic Law of the Macao Special Administrative Region, and the State Council proposal on examining and ratifying five treaties; the hearing of Finance Minister Liu Zongli's report on the 1992 State Final Account, and report which Minister of Agriculture Liu Jiang will make on behalf of the State Council on the agricultural situation; the approval of the namelist of chairman, vice chairmen, and members of the Eighth NPC Standing Committee's Credentials Committee; and the deliberation on the chairmanship meeting's main projects of the Eighth NPC Standing Committee.

Other items placed on the agenda of the Standing Committee meeting include: Deliberating the draft code of conduct for NPC Standing Committee members, the written report on NPC special committees' projects, the written report on Vice Chairman Tian Jiyun's visit to Korea, the written report of the NPC delegation's attendance at the 89th Interparliamentary Union's convention, as well as proposals on appointments and dismissals and other matters.

### To Amend Laws

OW1906095993 Beijing XINHUA in English 0947  
GMT 19 Jun 93

[Text] Beijing, June 19 (XINHUA)—Draft laws, plans for key works, and deliberations on economic affairs and Hong Kong, are expected to be top issues during the coming session of senior Chinese legislators.

The Standing Committee of the National People's Congress (NPC), China's legislature, will open its 11-day session next Tuesday [22 June] in Beijing.

Draft laws on scientific and technological progress, agriculture and agricultural technology, and the draft additional regulations of the NPC Standing Committee on punishment for shoddy goods makers and sellers, will be submitted to the session.

These draft laws have already been examined by previous sessions and revised.

Amendments to economic contract law and the draft law against unfair competition are to be submitted to the session for deliberation for the first time.

Zou Chenkui, spokesman of the General Office of NPC Standing Committee, said that it is necessary to amend the economic contract law adopted more than a decade ago. Drastic changes have taken place in China since the law was implemented.

"Formulating the law against unfair competition is intended to safeguard the economic order of the socialist market, encourage and protect fair competition and protect the legal rights of people engaged in economic activities," he said.

The legislators are expected to deliberate on the key works of the Eighth NPC, which are said to include more than 30 items such as formulation of laws, supervision, strengthening the link with deputies and the masses, and promoting diplomatic exchanges with foreign parliaments.

The minister of finance, Liu Zhongli, will report on the 1992 final state accounts, and the minister of agriculture, Liu Jiang, on rural production.

During the session, the draft decision on establishing the preparatory work organ of the preparatory committee on the Hong Kong Special Administrative Region, the draft decision on the Portuguese text of the Basic Law of the Macao Special Administrative Region, and some international conventions, will also be considered.

### 14th CPC Central Committee 3d Plenum Previewed

HK2106083893 Hong Kong MING PAO in Chinese 17  
Jun 93 p 8

[By special correspondent Chung Chih-ming (6945 1807 2494): "Third Plenary Session of 14th CPC Central

Committee To Focus On Two Such Topics as Economic Regulation and Control and Fight Against Corruption"]

[Text] The upcoming Third Plenary Session of the 14th CPC Central Committee, which is being prepared at the moment, is set to focus on two major issues; namely, problems plaguing the mainland economic development at present as well as combating corruption and building a clean government. The CPC Central Committee has already ordered its propaganda department to draft some anticorruption criteria as soon as possible. The date for convening the Third Plenary Session of the 14th CPC Central Committee will not be fixed until relevant preparations have been completed.

On the date for convening the Third Plenary Session of the 14th CPC Central Committee, the CPC hierarchy has now reached the following consensus: The meeting will be convened as soon as possible as long as sufficient preparations have been made. The CPC hierarchy has attached great importance to the meeting and hoped that it will cement relations between the central and local authorities. The CPC hierarchy has also pointed out that even under conditions of a market economy, the party leadership, especially regulation and control by various central departments, will not be weakened. In the current economic situation, it is all the more necessary for the central and local party organizations concerned to strengthen cooperation in preventing problems inherent in economic growth from turning into social and political crises.

As regards economic development and other pertinent issues, the meeting will mainly discuss reshuffling financial institutions that have gone out of control operationally. Sources in Beijing said that not long ago, certain mainland banking, financial, and nonfinancial departments "grasped opportunities" to act as they thought fit by ignoring central orders. As a result, the economic situation has become rigorous on the mainland. The CPC Central Committee Political Bureau maintains that some of those departments went so far as to do things "contradictory to" the central orders. This situation should be straightened out. As all specialized banks and local banks are simultaneously under the leadership of the central bank and various local departments concerned, the central authorities hope that the upcoming third plenary session will work out appropriate measures for tackling this problem.

The upcoming third plenary session will also touch upon such issues as local economic development speed, losses of large and medium-sized state-owned enterprises, and agriculture. As regards local economic development speed, the central authorities will stress such principles as those proposed by Jiang Zemin of "seeking truth from facts, doing what one is capable of doing," adopting administrative measures to regulate and control resources, strengthening control of resources, and preventing localities from blindly seeking excessively fast development. As regards large and medium-sized state-owned enterprises development, the political bureau will

discuss the feasibility of instituting a joint stock system in a larger number of state-owned enterprises and furthering transformation of state-owned enterprises with foreign capital in accordance with Deng Xiaoping's instruction on delegating more decision-making power to such enterprises. Agriculture will certainly be a key topic for discussion at the upcoming meeting. As it is hardly possible to wipe out "IOUs" (purchasing grain products with IOU certificates rather than cash) this year, the meeting will focus on working out means of maintaining stability among peasants with a view to preventing problems from occurring. Deng Xiaoping once predicted: "If there are problems in the 1990's, they will be in the agriculture domain."

As regards combating corruption and building a clean government, another key topic for discussion at the upcoming third plenary session, the CPC Central Committee Political Bureau will focus on views expressed by CPC veteran Chen Yun with regard to problems plaguing current economic development. Recently, Jiang Zemin and Zhu Rongji have time and again called for putting an end to "trading power for money." The current economic problems on the mainland have, to a large extent, been caused by quite a few ranking officials who have abused their powers by approving loans and drawing "commissions" on such loan approvals. In order to stem resentment among ordinary people and prevent contradictions from intensifying, the CPC Central Committee Political Bureau maintained that it is all the more necessary to step up anticorruption propaganda.

Sources said that Ding Guangen, CPC Central Committee Political Bureau member and Propaganda Department director, has been designated as the official in charge of drafting and submitting as soon as possible 10 anticorruption criteria to the upcoming third plenary session for approval. At present, Ding Guangen is still busy supervising the work. He has ordered the CPC Central Committee Propaganda Department to solicit in a timely manner opinions from all quarters concerned before working out the draft criteria.

However, an official involved in the work says that as the work is complex in nature and concerns a wide range of interests, it will definitely not be easy to draft criteria that are acceptable to both the hierarchy and ordinary people.

#### **Commentary on Tibet Construction, 'Splittists'**

*OW2006220193 Lhasa Tibet People's Radio Network in Mandarin 1430 GMT 20 Jun 93*

[Unattributed station commentary from the "Tibet News" program: "Adhere Without Wavering to the Central Task of Economic Construction"]

[Text] Adhere without wavering to the central task of economic construction—this is an urgent strategic task facing party committees and governments at all levels, as well as all nationalities in the Tibet Autonomous Region.

Day and night, the people have longed for economic development and common prosperity among all nationalities. After 14 years of reform and opening up under the party's leadership, and through common struggles waged by all nationalities in the autonomous region, economic construction has been increasingly accelerated. We must treasure this favorable trend, seize the opportune moment, and step up the pace of economic development in the autonomous region.

To adhere without wavering to the central task of economic construction, and to accelerate economic development in the autonomous region, we must continue to persist in reform and opening up. The pace of economic development in the autonomous region is dictated by how well we carry out reform and opening up. Therefore, we must abide by the guidelines of the enlarged meeting of the Fourth Plenary Session of the Fourth Tibet Autonomous Regional Party Committee to further emancipate our minds, seek truth from facts, find out where we lag behind, adopt measures, and do solid work to propel the autonomous region's reform and opening up to new heights and its economy to a new level.

A major task presently facing our reform and opening up is the work to facilitate the transition from a planned economy to a market economy. The construction of a socialist market economy is a formidable, complicated, and systematic project. We have to conduct protracted, difficult, and detailed work, as well as complementary reform work in various aspects. Major and corresponding changes in ideological understanding, management systems, and leadership methods should also be made.

To adhere without wavering to the central task of economic construction, and to accelerate economic development, we must consolidate and promote political stability and unity. Past experiences have proven, repeatedly, that social stability is the fundamental guarantee for economic development. The economic construction path taken by the autonomous region in the past has also testified fully to that. An unstable political situation leads to slow economic development and economic losses, and a stable political situation leads to rapid economic development and great economic success.

While adhering without wavering to the central task of economic construction, we must also adhere without wavering to the four cardinal principles, and we must unswervingly preserve unity in the motherland, ethnic unity, and political unity and stability.

We must steadfastly implement Comrade Deng Xiaoping's guiding thought of grasping two links, without relaxing, at the same time; we should focus on reform and opening up as we crack down on crime, and we should also focus on economic construction as we promote democracy and the legal system.

More efforts to build the legal system are urgently required for socialist market construction. We need to

use legal means to regulate market behavior and to ensure healthy and interesting development of the socialist market economy.

Although the autonomous region presently has a good opportunity to develop, there is no peace and stability. A very small number of splittists inside and outside the autonomous region have always hoped to collude with hostile forces outside China's boundaries, and to act from inside in coordination with these outside forces to create disturbances and undermine the situation characterized by stability and unity. We must keep a clear mind and persist in moving forward. We must not turn back or waver, and we must consistently adhere to the central task of economic construction. By doing these things, we will be able to overcome all difficulties and achieve the objective of building a new socialist Tibet.

### Scholar Discusses Han Immigration Into Tibet

HK2106070793 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0729 GMT 19 Jun 93

[Report on interview with Tibetan studies expert Basang Norbu by staff reporter Zhou Shufan (0719 2579 0416) and correspondent Li Jinyuan (2621 6855 0337): "There is No Such Thing as 'Immigration of the Han People' in Tibet"]

[Text] Lhasa, 19 Jun (ZHONGGUO XINWEN SHE)—In an interview with these reporters today, Basang Norbu [ba sang luo bu 1572 2718 5012 1580], the middle-aged Tibetan studies expert and vice research fellow of the Tibet Autonomous Regional Academy of Social Sciences, said: "There is no such thing as the 'immigration of the Han people' in Tibet whatsoever."

In response to the false allegations by some foreigners that the "CPC is sending immigrants to Tibet in a planned way," Basang Norbu listed a series of demographic statistical data to these reporters and said: At present, the Tibet Autonomous Region has a total population of 2.196 million, of whom 1.7865 million are Tibetans or 95.46 percent of the region's total, and minority nationalities including ethnic Hui, Moinba, Lhoba, Nu, Naxi, Deng, and Xiaerba account for 0.84 percent. The Tibetan nationality plus other minority nationalities account for 96.3 percent of the total population, and the Han nationality only accounts for 3.7 percent. [all figures as published] Basang Norbu said: The demographic statistical data show that the Tibetan nationality and other minority nationalities are the overwhelming majority in Tibet's population, so is there such a thing as the "immigration of the Han people?"

Basang Norbu continued: Two questions need to be clarified: The first is how we should look at the inland aid personnel in Tibet, and the other is how we should look at the inlanders doing business in Tibet.

Mentioning aid personnel from the hinterland, Basang Norbu said: Since Tibet's peaceful liberation, a number of inland Han cadres, workers, technical personnel, and

students have come to work in Tibet and support Tibet's various construction undertakings. They have made huge contributions to Tibet's prosperity and progress. For instance, from 1984 to 1985, over 20,000 mainland engineers and technicians entered Tibet and designed and worked on 43 famed key projects together with engineers and technicians of various nationalities. That a number of modern buildings, such as the Holiday Inn, the stadium, and the Mass Arts Museum in Lhasa, were completed and put into use are the crystallization of Tibetan-Han unity.

He continued: Han cadres, workers, technical personnel, teachers, and doctors that have come since have had a definite period of stay in Tibet. Some have worked for four years; some five years; others eight years. Most of the inland aid personnel coming to Tibet from the 1950's to the 1960's have now returned to the hinterland. Although a small number of Han cadres are still working in Tibet, ethnic cadres chiefly composed of Tibetans are now the main body administering Tibet's local affairs. As there is a small number of Han cadres working in Tibet, so there are several thousand Tibetan cadres working across the country including Beijing, Shanghai, and Chengdu. If one calls the small number of Han cadres coming to work in Tibet "immigrants to Tibet," then can one call the Tibetan cadres working in the hinterland "emigrants to the hinterland?"

As for inland businessmen doing business in Tibet, Basang Norbu maintained that this is a natural flow of population as a commodity economy is developing. Since the early 1980's, in order to promote Tibet's economic development, the government of the Tibet Autonomous Region has formulated a series of policies for its comprehensive opening both to the hinterland and to the outside world, welcoming foreign businessmen and businessmen from Hong Kong, Macao, and Taiwan as well as inland businessmen to come to do business or set up joint ventures in Tibet. Since then, businessmen from over 20 provinces, municipalities, and autonomous regions have come to do business and set up enterprises in Tibet. In the meantime, Tibetan enterprises and individual businessmen have also come to do business and set up enterprises in Beijing, Shanghai, Chengdu, Guangzhou, and Hainan; and this is a completely normal phenomenon as a socialist market economy is developing.

As a scholar, Basang Norbu once conducted an in-depth survey and study of the social phenomenon of inland businessmen coming to do business in Tibet. He said: Inlanders coming to do business and set up enterprises in Tibet have injected vitality and vigor into Tibet's economic development, and this is concretely embodied in the following three aspects:

First, inland entrepreneurs and businessmen have come to engage in the construction industry, commerce, the catering trade, and service industries in Tibet, giving rise to Tibet's tertiary industry. According to statistics, as of

the end of 1992, the total output value of Tibet's tertiary industry reached 1.7 billion yuan, 40 percent of Tibet's gross national product.

Second, inland businessmen have brought vast numbers of inland commodities for sale in Tibet, activating Tibet's market and providing convenience to the lives of people of various nationalities in Tibet. For example, inland businessmen transport vast quantities of fresh food from the hinterland by truck and plane, so Lhasa and other places have fresh food all the year round.

Third, inland businessmen doing business and setting up enterprises in Tibet pay taxes in accordance with laws, thus increasing Tibet's revenue income and enhancing its economic strength.

Basang Norbu said: The positive significance of inland entrepreneurs and businessmen doing business and setting up enterprises in Tibet should be fully affirmed. Moreover, although inland entrepreneurs and businessmen are in Tibet, their registered permanent residences are in the hinterland and so are most of their family dependents and children. This is totally different from what is called "emigration." At present, an increasingly large number of Western entrepreneurs and businessmen are investing and setting up enterprises everywhere in China, but can we say they are "immigrants?"

Forty-seven-year-old Basang Norbu was born to serf parents in the Cona county of Shannan Prefecture. He graduated from the Tibet Nationality College in 1960, took up posts as a reporter and a magazine's general editor. In 1989, he assumed the post of vice president of the Tibet Autonomous Regional Academy of Social Sciences, and he has obtained very fruitful achievements in Tibet studies. He has published a number of fairly influential academic theses including the "Great Achievements by the Tibetan People During the Opium War," and the "Preliminary Inquiry of Several Questions." Last August, he participated, together with the China Tibetan studies delegation, in the International Symposium on Tibetan Studies held in Norway.

#### Article Views Tibet's Progress, Development

HK2006020093 Beijing RENMIN RIBAO in Chinese  
12 Jun 93 p 3

[Article by Liao Zugui (1675 4371 2710) and Zhang Shuhua (1728 5771 5478): "Tibet's Progress and Development"]

[Text] For some time now, the Tibet issue has attracted the attention of many people. The group of Tibetan separatists who went into exile abroad and international anti-China forces, under the guise of the Tibet issue, attempt to interfere in our country's internal affairs and separate Tibet from China. Therefore, they resort to rumormongering and mudslinging at great length and endlessly in such aspects as the so-called "Tibetan human rights situation," "Han nationality's resettlement

in Tibet," religion and culture, environmental protection, and even economic construction, misleading some good-hearted people who are unaware of the truth.

But what is the truth?

Tibet, like all other provinces, autonomous regions, and municipalities in our country, under the direct leadership of the CPC Central Committee and the central government, has been carrying out the reform and opening up and making vigorous efforts in economic construction. This has broken Tibet's perennial closed state and switched it from a supply to an operational economy. Its economy has developed steadily, financial revenue has increased annually, and relatively marked improvements have been observed in the people's living standards. In 1992, the total industrial and agricultural output value of the region reached 2.715 billion yuan, four times higher than in 1956. The total industrial output value registered 497 million yuan, 158 times higher than in 1956. The aggregate investment by the central government in Tibet's capital construction between 1952 and 1992 amounted to approximately 12 billion yuan. Today, Tibet's total installed power generating capacity is 175,400 kilowatts. The pumped storage power station at Yangzhuoyong Lake, which is currently under construction, has an estimated installed capacity of 90,000 kilowatts. The 110,000-volt high voltage transmission line from Yangzhuoyong Lake to Gonggar Airport, the core project of Gonggar Airport, and the first phase of the redevelopment project for a Sino-Nepalese highway have been completed. The exploitation of one major river and two ordinary rivers [yi jiang liang he 0001 3068 0357 3109] has progressed smoothly, and the redevelopment of the Sichuan-Tibet and Qinghai-Tibet highways is speeding up. The construction of the Luobusa Iron Mine and Bangdag Airport is also going on smoothly.

The total volume of the region's imports and exports was \$64.34 million in 1992, with \$45.04 million in imports and \$19.3 million in exports. In the field of introducing investments from the rest of the country and establishing foreign ties [nei yin wai lian 0355 1714 1120 5114], up to now, Tibet has 63 cooperation projects with areas outside the region; 17 joint ventures and solely funded enterprises have been set up outside the region; 26 international aid projects have been accepted, involving \$43.08 million; the approval to establish 15 wholly or partially foreign-funded enterprises has been granted, six of which have already been established, involving 109 million yuan. An omnidimensional and multilevel opening pattern is taking shape in Tibet.

Because Tibet has a very weak economic base and a low self-development capacity, the central government has pursued special policies toward Tibet for a long time. Tibet's local financial expenditure and major economic construction projects have been entirely supported by the central government. From 1952 to 1992, the aggregate financial subsidy the central government granted to Tibet amounted to 17.021 billion yuan.

Tibetan people's living standards have markedly improved. The per capita income of peasants and herdsmen was 490 yuan in 1992, 1.5 times higher than in 1980 when the reform and opening up had just begun. During this period, self-employed industrial and commercial operators and private enterprises also made rapid development. By the end of 1992, there were 42,291 individually run businesses in the region with a total work force of 58,785 and registered capital of 166.73 million yuan, hundreds of times higher than in 1980. The consumption level of the Tibetan people has increased by a significant margin, and the total commodity retail volume in 1992 reached 1.684 billion yuan. The problem of essential food and clothing for the majority has been solved. Some people have become rich and their living standards have reached the moderately prosperous level.

In cultural undertakings, Tibet has scored marked achievements in inheriting, salvaging, and exploring its ethnic cultural legacy and brought rapid development to ethnic cultural undertakings. Under the precondition of maintaining the original appearance, a large number of relics in 12 key state-protected relic units and 11 region-protected relic units have been repaired. The fund for such repairs, provided by the central government and the regional authorities, amounted to 70 million yuan. Thanks to assistance, particularly by the state, the overall renovation of the Potala Palace has been progressing smoothly, the state allocating a lump sum of more than 40 million yuan. This project is expected to be completed by the end of this year. In order to preserve the precious cultural legacy of the nationality better, a large amount of folk music, dance, and traditional operas which have been circulating among the people have been turned into audio, visual, or written "specimens" for the first time. Starting in 1986, the state invested more than 2 million yuan over a period of time in a Tibetan folk culture "specimen bank." So far, this massive culture-preserving project has shown initial results. Today, the region boasts six relatively modern and multipurpose mass cultural centers, 26 cultural centers at the county level, 17 libraries at the county level, and 17 cultural stations at the township level. The Tibetan Library is almost complete and will be one of the country's modern facilities with a full range of categories of books and reference materials. The film and television industry has experienced rapid development in recent years, with 650 film distribution and projection institutions in the region today. The dubbing of films and television programs into the Tibetan language has been strengthened, with about a hundred programs produced. The number of various new films released each year has reached more than 200. Over 100 satellite ground receivers have been set up, and the number, duration, and contents of broadcasts in Tibetan are becoming increasingly enriched. The work on mass culture is developing in a well-coordinated way and mutually promoting, which has played an important role in enriching urban and

rural cultural life, strengthening the building of spiritual civilization, and promoting economic construction and social development.

On the education front during the past 10 years, the Tibetan Autonomous Regional Government has greatly increased investment in Tibet's educational cause. In 1992 alone, the regional authorities allocated 197.91 million yuan for the education budget, comprising 15 percent of Tibet's total local financial expenditure for the year. The state has also laid down a series of special policies by considering Tibet's actual conditions, such as: The policy of a full subsidy for the board, lodging, and tuition of the children of peasants and herdsmen; earmarking special funds for improving school conditions; sending teachers to Tibet from provinces and municipalities in the interior of the country as reinforcing teaching staff for specific subjects in Tibet; and the opening of Tibetan classes and Tibetan polytechnic classes in 19 provinces and municipalities, such as Beijing, Shanghai, and Tianjin, to speed up the training of Tibetan professionals. Thanks to the care and support of the central government and other provinces and municipalities, the Tibet region now has 2,764 institutions of education of various kinds with 221,971 students currently studying on campus (91.28 percent of whom are ethnic minority students). The size of the teaching staff in Tibet at present is 15,907 (73.69 percent being minority nationals), of whom 12,326 are subject teachers (75.66 percent being minority nationals). Apart from regular education, Tibet has also developed adult higher education, audio-visual education, spare time education, anti-illiteracy education, and various types of training courses.

The party and state policy of freedom of religious belief has also been conscientiously implemented in Tibet. The just rights and interests of religious orders and monasteries are protected, normal religious activities are respected, and the masses with religious beliefs are satisfied with their religious lives. Today, there are over 34,000 resident monks and nuns throughout the region and over 1,400 monasteries and other religious activity venues which have been repaired or opened. In 1986, 250,000 monks and laymen attended the Prayer Rally in Lhasa. In 1983, the Tibetan Buddhist College was founded, which is committed to training religious experts. Meanwhile, 164 scripture study classes have been offered in some bigger monasteries of various denominations to over 2,900 student monks. Besides all this, a certain number of Living Buddhas and student monks are recommended annually to the China Tibetan Advanced Buddhist College in Beijing to pursue further studies. In 1984, the regional people's government made the Tibetan Buddhist Association a present of the printing plate of the Lhasa version of the "Ganzhur' Great Canon of Sutras" ["gan zhu er' da zang jing '3927 3796 1422' 1129 5661 4842"] in Tibetan and contributed 500,000 yuan to setting up a scripture printing house, which, over the past years, has printed over 1,000 copies of "Ganzhur." In 1990, the government offered another 500,000 yuan with which the

block-cutting of the Lhasa version of "Danzhur [dan zhu er 0030 3796 1422]" Great Canon of Sutras" in Tibetan began in Lhasa's Muru [2606 1172] Monastery. This is something which the 13th Dalai Lama failed to achieve. These efforts met the demands of the religious people for scripture books.

Between 1980 and 1988, though faced with financial difficulty, the state earmarked a special fund of 43.77 million yuan for monastery renovation. In 1984, the central government provided a special fund of 6.7 million yuan, 111 kg of gold, over 2,000 kg of silver, and large quantities of jewelry, to build tomb pagodas [ling ta 7227 1044] and sacrificial halls [si dian 4358 3013] for the Fifth to Ninth Panchen Lamas. After the death of the great 10th Panchen, an outstanding leader of Tibetan Buddhism, the central government decided to build a gold-plated tomb pagoda and sacrificial hall for the 10th Panchen in Xigaze's Tashilhunpo Monastery. In accordance with the Tibetan Buddhism ritual, the central government also held religious memorial activities, protected his remains, and began the search for and confirmation of his reincarnation. On 25 June last year, the central government approved the designation of the reincarnation of the 16th Gemaba [0900 3854 1572] Living Buddha and named him as the 17th Gemaba Living Buddha. The work on the reincarnations of other Living Buddhas is also being carried out with active and sound efforts in various parts of Tibet in accordance with the respective religious rituals and conventional practices.

The Tibetan Plateau is a region with earthly characteristics which are unique and it is the largest plateau with the highest elevation in the world. Grand and imposing as it is, it has a complicated and delicate ecological environment which is hard to restore once it has been damaged. To protect the environment properly while speeding up economic development has become the goal toward which the entire regional community is working. In 1990, the Tibetan Regional Environmental Protection Committee was founded, which was a substantial step in strengthening the government's unified leadership over the regions environmental protection. In the same year, the state invested 3.9 million yuan in a regional environment monitoring station which set up three atmosphere sampling points, three river water monitoring points, and 27 traffic noise monitoring points in the town area of Lhasa and the upper, middle, and lower reaches of Lhasa He. The monitored results indicate that the density of sulfur dioxide, which is harmful to the human body, in the atmosphere above Lhasa is under 0.1 mg per cubic meter, below the state standard; there are no harmful gases, nitroxides [dan yang hua wu 8644 8638 0553 3670], in the atmosphere; the total content of dust in the atmosphere is below 0.4 mg per cubic meter. Monitoring at three points in Dazi County and Lhasa City on the upper reaches of Lhasa He, as well as the confluence of Lhasa He and Yarlung Zangbo Jiang, showed no change in the acidity, alkalinity, hardness, and chemical oxygen uptake of water at these three

points. River water is not polluted by such heavy metal trace elements as aluminum and zinc, and copper was not found in the river water. No artificial radioactive contamination, let alone nuclear contamination, was found in the soil or waters.

To protect the ecological environment, the environmental protection authorities adopted a series of measures, such as supervising and managing a large number of large and medium key projects under construction, such as the Yangzhuoyong Lake Power Station and Luobusa Chromite Mine on the southern side of the mountains, in strict accordance with the "Environmental Protection Law"; moving the tip site which is not far from Lhasa He to reduce river pollution; and establishing a sewage disposal plant. So far, Tibet Autonomous Region has formulated "Regulations on Control of Environmental Protection for Construction Projects," "Urban Environment and Sanitation Control Regulations for Lhasa City," "Urban Greening Control Regulations for Lhasa City," and "Tibet Environmental Protection Regulations," thus bringing all the region's ecological and environmental protection onto the track of legal control in a gradual process.

The issue of Tibetan population has been the focus of attention for many people. When Tibet was peacefully liberated in 1950, no accurate population statistics were available. The population figure provided by the local Tibet government at that time was close to 1 million. Four censuses have been conducted since 1949. The population figure presented by the local government in Tibet to the census authorities in 1953 was close to 1 million (not covering Changdu Prefecture). In the second census in 1964, Tibet's population registered 1.251 million, which did not include the 60,000-70,000 people who had been forced to go abroad by the rebels when they fled the country in 1959. In the third national census in 1982, Tibet's population was 1.892 million, and it reached 2.196 million, of which the Tibetan population accounted for 2.096 million, at the fourth national census in 1990. From 1951 to 1990, Tibet's population more than doubled. While Tibet's population grew at a relatively fast pace, the population quality has also been enhanced. According to a survey by the relevant authorities in Tibet, by 1965 the average height gain among Tibetan nationality children and juveniles in the age range seven to 17 years was 8.11 cm for boys and 8.46 cm for girls, and the average weight gain was 4.75 kg for boys and 3.16 kg for girls. With the upgrading of the people's living standards and the constant improvement in medical and health care conditions, the average life expectancy of Tibetan people has been extended from 35.5 years in the 1950's to over 65 years.

The Chinese Government has never formulated or implemented any plan for "resettlement" in Tibet. The small number of Han people and people from other nationalities, who have been selected and sent by the state to serve Tibet in light of the needs of Tibet's construction, are mostly professional personnel and technical workers who are well educated and have a high

degree of skill. They share weal and woe and are on brotherly terms with the Tibetan nationality people. They are welcomed by the people in Tibet for their contributions to the region's economic and cultural development.

In recent years, with the opening up and enlivening of the economy and the gradual deepening of the reform and opening up, some Han and Hui people have gone to Tibet to do business or as craftsmen. These two groups of people have played a positive role in promoting Tibet's economic development, passing on advanced skills and management methods, enlivening the circulation, and activating the market.

Though Tibet's political, economic, cultural, and educational undertakings have made rapid progress since peaceful liberation over 40 years ago, it still has a long way to go in development in comparison with the interior of the country and coastal areas. This disparity is largely a result of historical factors and also some natural and geographical conditions.

The foundations of China's nationality policy are the equality, unity, and shared prosperity of all nationalities. In order to narrow the gap between ethnic minority regions and the interior of the country and coastal regions in development, promote the social development of ethnic minority regions, and achieve common prosperity and wealth, the government has made enormous efforts and obtained the full understanding and support of the people of all nationalities in the country. In his speech at the party's 14th national congress, General Secretary Jiang Zemin especially pointed out: "As for the ethnic minority regions, old revolutionary bases, frontier areas, and poor areas, the state must adopt effective policies to support them. Areas that are economically more developed should help them accelerate development in various ways." We believe that in the course of transition to the socialist market economy, Tibet will continue to enjoy the support of the central government and the people of all nationalities in the country; and the people of different nationalities in Tibet will also use their hands and wisdom to make new socialist Tibet more prosperous and vibrant.

#### **Wei Jianxing Addresses Clean Government Meeting**

*OW1906130893 Beijing Central People's Radio Network in Mandarin 2230 GMT 15 Jun 93*

[By station reporter (Pang Jichang); from the "News and Press Review" program]

[Text] The Sixth Beijing Municipal Work Conference on Building a Clean and Honest Government ended yesterday [15 June]. Secretary Wei Jianxing of the Central Discipline Inspection Commission and Secretary Chen Xitong of the Beijing Municipal Party Committee attended the meeting and delivered important speeches.

The meeting pointed out: In the current process of change from the planned economy to a socialist market economy, administrative power is absolutely not permitted to enter the market to commercialize government authority, legalize unhealthy tendencies, and systematize corruption. It is not permitted for administrative power to be used to seek personal gain for individuals or small groups. The meeting decided that such unhealthy tendencies and corrupt behavior as abusing power for personal gain, eating and shopping without paying, extortion, refusing to perform official duties without being given some benefits, and recklessly and arbitrarily performing official duties after being given some benefits will be investigated whenever any such case is discovered, and the perpetrators will be prosecuted.

In his speech, Chen Xitong stressed: The key to stepping up efforts to build a clean and honest government, fighting against corruption, and checking unhealthy tendencies lies in leaders at all levels. They must be full of confidence.

Wei Jianxing said: The fundamental way for solving the problem of having a clean and honest government lies in further deepening reform, accelerating construction, and perfecting the system of a socialist market economy. Meanwhile, we must strengthen ideological and political education, and continuously improve the party's style and strengthen the building of a clean and honest government.

Wei Jianxing pointed out: In the current struggle against corruption, we must not be satisfied with continuing to use the ideas and methods of the period of planned economy to handle the conventional cases that we used to handle, nor should we avoid the new situations and new problems occurring now; least of all should we sit back and wait until the system of a socialist market economy is perfected before we attempt to solve the existing problems. He said: In our fight against corruption now, we must pay attention to two types of work at the same time; namely, sternly punishing corrupt elements and resolutely eliminating any corrupt phenomenon, including checking unhealthy tendencies in various departments and in various trades and professions.

Wei Jianxing stressed: We must improve the work of handling people's complaint letters and calls as well as their reports about offenses to the authorities. We must seriously investigate and punish those who violate the democratic rights of party members, suppress disclosures of offenses, practice retaliation, and bring false charges against innocent people. Discipline inspection and supervisory organs at all levels must resolutely eliminate such interference as intercession, unprincipled protection, and the shelving of a case of offense. They must focus attention on investigating such law-breaking and discipline-violating cases as abusing power for personal gain and so forth committed by leading bodies, leading cadres, and law-enforcing and supervisory departments. He said: It would be difficult for us to win the people's confidence if we do not handle some big

cases that have an impact. Wei Jianxing noted: While making continued efforts to develop and perfect publicity operations and operation results, and depending on the masses' supervision to promote administrative ethics, and while strengthening external supervision, all units must exert considerable efforts to strengthen internal restrictive mechanisms and establishing the appropriate system and order.

### **Shanghai Leaders on Importance of Party Line**

*OW1706013193 Beijing XINHUA Domestic Service in Chinese 1127 GMT 15 Jun 93*

[By RENMIN RIBAO reporter Huang Meilai (7806 5019 0171) and XINHUA reporters He Ping (0149 1627) and Zhao Lanying (6392 5695 5391)]

[Text] Shanghai, 15 Jun (XINHUA)—The CPC Central Committee Propaganda Department held a forum in Shanghai to discuss the theory of building socialism with Chinese characteristics. In speaking at the opening ceremony, Zheng Bijian, executive deputy director of the CPC Central Committee Propaganda Department, stressed that the 14th CPC National Congress' historic decision—to arm the whole party with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics—should become the basic principle guiding our theoretical work. He hoped theoretical workers would be more united on the basis of the party's basic theory and line, be more pragmatic under the principle of integrating theories with realities, and be more active under the policy of letting a hundred schools of thought contend so as to create a new situation for the socialist causes of reform, opening up, and modernization.

The forum was part of the CPC Central Committee Propaganda Department's overall theoretical work program for 1993. Its main agenda items were to discuss the formation process, the main points, and essential characteristics of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and the significance of arming the whole party with this theory. All the participants were accomplished experts in this regard.

Wu Bangguo, member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipal Party Committee, attended and addressed the meeting. He said in his speech that the forum was "a very important meeting on the ideological and theoretical front." He pointed out: The key to achieving greater and faster results in reform, opening up, and modernization, and to building a prosperous and strong country with longstanding peace and stability, lies in arming the whole party with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. Therefore, studying, propagating, and researching Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is a pressing task and a long-term strategic task for the ideological and theoretical front.

While it is a fundamental task for the ideological and theoretical front, it is also a common task of the whole party.

Wu Bangguo said: Comrade Deng Xiaoping is an outstanding champion and a brilliant example of safeguarding, upholding, and developing Marxism-Leninism-Mao Zedong Thought. He has made historic, significant contributions to the creation of the theory of building socialism with Chinese characteristics. The important speeches he gave during his south China tour in 1992 have decisively analyzed the international and domestic situations, scientifically summarized China's basic practices and experiences in building socialism since the Third Plenary Session of the 11th CPC Central Committee, and clarified many major issues that had bound and disturbed people's minds several years ago. Ever since Comrade Xiaoping made his important speeches and the holding of the 14th party congress, China's reform, opening up, and modernization drive entered a new stage.

Speaking in conjunction with Shanghai's actual situation, Wu Bangguo said: Comrade Xiaoping has urged Shanghai to act firmly in two areas at the same time: carrying out economic construction and spiritual construction. Shanghai's performance has once again proven that Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is the most valuable spiritual wealth of our party and country. Upholding the party's basic line with this theory as the guidance provides the fundamental guarantee that our cause will certainly withstand tests of risks and we certainly will achieve our goal.

Zheng Bijian pointed out in his speech: It is absolutely unthinkable for a big country with a population of 1.1 billion and for a big party with 50 million members to succeed in such a great cause as reform and construction if they do not have unified and scientific guidance or a correct line bearing on the overall situation and the work in all quarters. Citing the history of China's revolutionary struggles and lessons learned since the founding of the Republic, particularly since the Third Plenary Session of the 11th CPC Central Committee, he pointed out: First, they show the extreme importance of having a correct theory and line; second, they show the extreme importance of firmly upholding this theory and line under any complicated situations. This is the most fundamental political experience provided by our party's long history, including the 15 years following the Third Plenary Session of the 11th CPC Central Committee.

Zheng Bijian said: Led by the party's third-generation leading collective with Comrade Jiang Zemin as the core and adhering to the party's basic theories and lines, we will succeed in our great cause to build socialism with Chinese characteristics. Meanwhile, the CPC Central Committee also soberly realizes that there will be all sorts of twists and turns and problems on our way ahead. This requires us to act more conscious and firmly in upholding the party's correct theories and line under all

circumstances. To this end, a very important requirement is that we must continue to arm ourselves with theories on the basis of practice.

Zheng Bijian stressed: Arming ourselves with theories is a basic issue. We must clearly understand what Marxism is and what socialism is, an issue which Comrade Deng Xiaoping has repeatedly raised. A real Marxist must understand, inherit, and develop Marxism according to the current situation. The type of socialism we uphold must be the socialism with Chinese characteristics, which takes China's actual situation into consideration. Only when we uphold Marxism and socialism in such a manner can we draw a line between us and those who renounce Marxism and socialism, or those who stick to outmoded conventions in disregard of China's actual situation and the developments today.

Zheng Bijian urged theoreticians to start researching the major issue of establishing a new socialist market economic system and improving the system. He said: The current issues are, instead of studying general theoretical concepts, we should study how to design and build a comprehensive model of combining theory and reality; and instead of studying ordinary principles and policies, we should study actual ways of combining principles and actuality. On the other hand, we should study issues about establishing a market economic system along with studying solutions to outstanding problems concerning today's economic construction and economic life. He expounded on the special historic conditions and challenges that China is confronting during reform and construction, such as the present stage of social development, economic system changes, economic environment, social changes, and spiritual and material construction. Zheng Bijian pointed out: Today, when we have to develop a market economy and open up to the outside world, we also have to promote spiritual construction and improve party conduct, administrative ethics, and public awareness; and we also have to resist the inroads of decadent bourgeois and feudal ideologies. These are problems and challenges facing the whole party. Our theoretical workers should be able to do something and demonstrate their capabilities in this regard. Therefore, we can say that now is the best opportunity to strengthen theoretical work and to deepen and broaden theoretical studies. While helping policy-making organs and operational departments of the party and state by providing them with guidelines and plans, which are theoretically profound and based on reality, our theoretical workers should be able answer the people's many hot issues and doubts in a lively, practical, and persuasive manner. Zheng Bijian urged theoretical workers to thoroughly comprehend and study Comrade Deng Xiaoping's expositions on socialism and market economy. He said this is important for guiding the current studies of the socialist market economy.

In conclusion, Zheng Bijian pointed out: Under the guidance of the party's basic theories and line, the guidance of Comrade Xiaoping's important speeches in southern China, and the guidance of the guidelines laid

down by the 14th party congress, as well as the principle of linking theories with reality and the policy of letting a hundred flowers blossom and a hundred schools of thought contend, theoretical workers should act more practically and more lively in order to meet the need of accelerating the pace of development and deepening reform.

Shanghai Mayor Huang Ju attended the meeting. Bai Keming, deputy head of the CPC Central Committee Propaganda Department, chaired the meeting. Also attending the meeting were responsible personages of relevant departments including Feng Xianzhi, Gong Yuzhi, Xing Bensi, Liu Guoguang, Ru Xin, Liu Ji, Zhou Ruijin, and Jin Binghua.

Also speaking at today's meeting were Shanghai Municipal Government adviser Wang Daohan; Chen Zhili, deputy secretary of the Shanghai Municipal Party Committee; Zhang Zhongli, president of the Shanghai Academy of Social Sciences; Hu Fuming, president of the Jiangsu Provincial Party Committee's Party School; and Peng Lixun, director of the Shenzhen Research Center of Social Sciences.

#### Article Discusses Deng Xiaoping's Theory

OW1906224793 Shanghai WEN HUI BAO in Chinese  
4 Jun 93 p 6

[Article by Zhong Jiadong (6988 1367 2767), Zhu Dajian (6175 1129 1696), and Hu Zhenping (5170 2182 1627), all members of Shanghai's First Study Class for Middle-Aged and Young Theoretical Workers; sponsored by the Shanghai Municipal CPC Committee's Propaganda Department: "Development Is the Final Word"—on the True Spirit of Deng Xiaoping's Theory"; first three paragraphs described as the "gist" of the article]

[Text] "Emancipation of the mind and seeking truth from the facts are the quintessence of the theory of building socialism with Chinese characteristics." Quintessence, as defined here, is not equal to the true spirit, but only the ideological premise or philosophical foundation for the theory. We comprehend from our study that the true spirit of Deng Xiaoping's theory is development.

The value of Deng Xiaoping's theory is that it answers a series of fundamental questions on how to build, strengthen, and develop socialism in China, a relatively poorly developed country, both economically and culturally. First, China's development is a development of freeing itself from poverty and of seeking common prosperity; second, China's development is a coordinated development of the whole society; third, China's development is a development under the conditions of opening up; and, finally, China's development is a development under the conditions of social stability.

Deng Xiaoping's theory bears the distinctive geographical characteristics and characteristics of our time; it is a product of the integration of the basic Marxist and

Leninist principles with contemporary China's reality and the characteristics of our time; it was gradually formed and developed in the course of the country's practice of reform, opening up, and socialist modernization over the past decade and more. The theory ensures that the country's socialist reform, opening up, and modernization will develop healthily.

### I.

What is the true spirit of Deng Xiaoping's theory of building socialism with Chinese characteristics? This question is worth studying and pondering. The report of the 14th CPC National Congress pointed out: "Emancipation of the mind and seeking truth from the facts are the quintessence of the theory of building socialism with Chinese characteristics." Quintessence, as it is defined here, is not equal to the true spirit, but only the ideological premise or philosophical foundation for the theory. The true spirit of the theory should refer to the subject of the theory's contents. It should mean the "truth" sought from facts as we emancipate our minds and seek truth from the facts; it is closely interwoven with all aspects of this theory. This true spirit should be a very plain fact that once we can grasp we will be able to gain a general idea of the entire theory. Deng Xiaoping once said that Marxism is not profound and that it is a very plain thing, a very plain fact.

Based on such understanding and through seriously studying Deng Xiaoping's discussion of the theory of building socialism with Chinese characteristics, we have realized that the true spirit of the theory is development. From Deng Xiaoping's important discussions made during the period from 1977, especially from the Third Plenary Session of the 11th CPC Central Committee, to his remarks made in February 1992 in Wuchang, Shenzhen, Zhuhai, and Shanghai, we can see that the true spirit of "development" shines everywhere.

1. Let us see things from Deng Xiaoping's grasping of the theme of our time. Development currently is one of the world's two major issues, and all countries are working for development. "The economic developments of some of our neighboring countries and regions are faster than ours. If we do not develop or develop too slowly, we would have problems once the people make a comparison." (For passage within quotation, please see page 236 of *Excerpts of Deng Xiaoping's Expositions on Building Socialism With Chinese Characteristics*; only the page numbers of the book are noted hereafter) Therefore, the theory of building socialism with Chinese characteristics is Deng Xiaoping's creation under the historical condition of peace and development becoming the theme of our time by his keenly gripping the development pulse and the critical moment of our time, by his carrying forward our predecessors' achievements, and by his breaking of outmoded conventions.

2. In terms of Deng Xiaoping's perception of the historical position of China's social development, we can see that Deng Xiaoping had applied basic Marxist principles

in analyzing and understanding the themes of the time, as well as China's national situation, ascertaining that China is a developing nation in the initial stages of socialism, and that "we should proceed from this reality in doing everything." (ibid., p 27)

3. In terms of development being the main objective that Deng Xiaoping has set for our country, he pointed out explicitly: "China's main objective is to develop and shake off backwardness so that the country will be strong and the people's living will gradually improve." (ibid., p 222)

4. In terms of development being the essence and fundamental tasks of socialism, which Deng Xiaoping defined, Deng has summarized this essence of socialism with these five phrases: "Liberate productive forces, develop productive forces, wipe out exploitation, remove polarization, and achieve common prosperity at last." (ibid., p 51) Of these five phrases, the most fundamental one is developing productive forces, and the remaining four will be achieved through this development. "Socialist construction has many missions, but the fundamental one is to develop productive forces and create a material base for communism. Socialism must, on the basis of developing productive forces, show that it is superior to capitalism, and that its final goal is to achieve communism." (ibid., p 47)

5. In terms of historical experiences in China's development, which Deng Xiaoping has summed up, Deng time and again stated: "We have overlooked the development of socialist productive forces for a long time. The development of productive forces has been very slow since 1957." (ibid., p 47) Deng Xiaoping deeply understands that "Comrade Mao Zedong was a great leader, and because of his leadership, the revolution in China was a success; however, he had one great weakness; namely, he ignored the need to develop society's productive forces." (ibid., p 46) "Now we have summed up our experiences, and we have to develop productive forces in society." (ibid., p 49)

6. In terms of Deng Xiaoping's thinking about choosing a social system for China's development, Deng believes that "it is not possible for China to take the capitalist road, and the reason is very simple." That is because capitalism cannot solve China's development problems. "If we were to take the capitalist road, some people in certain areas might become rich even faster, forming a new bourgeoisie and a group of millionaires; however, the number of these people would never account for 1 percent of the population, at most, whereas the overwhelming majority of the people would still be unable to shake off poverty. They might not even be able to solve their basic food and clothing needs. Besides, there would be serious employment problems." Therefore, "China cannot take the capitalist road, and there is no other alternative than the socialist road." (ibid., p 215)

7. Deng Xiaoping has also expressed his confidence in the socialist cause as a result of China's development.

Deng Xiaoping once said: "We must count on our development to convince those who do not believe in socialism." (ibid., p 214) "Development is the last word." (ibid., p 238) When he saw "growth at such speed" in some localities in China as a result of reform and opening up, he said: "After I saw it, my confidence increased." (ibid., p 184)

8. As for the type of development brought about as a result of the reform and opening endeavor, which Deng Xiaoping initiated, he said: "Experiences over a long period of time show that we cannot develop productive forces simply by relying on our former economic system." (ibid., p 96) The essence and objectives of reform rest with completely changing the economic system, which fetters the development of our country's productive forces, building a new socialist economic system that is full of life and vitality, and also restructuring our political and other systems so that China can achieve its socialist modernization. The fundamental reason why we must unswervingly open to the outside world is because "construction behind closed doors is not practical and development cannot be achieved in such a manner." (ibid., p 171)

9. For China's development, Deng Xiaoping called for upholding the four cardinal principles. As the foundation of our country, the four cardinal principles guarantee the sound development of China's reform, opening up, and modernization drive. If we do not uphold the four cardinal principles, he said, "it is certain that there will be nationwide chaos and the country will be split into pieces." (ibid., p 205) "Without a stable environment, nothing can be accomplished, and we will also lose what we have achieved." (ibid., p 223) Therefore, "we must pay attention to upholding the four cardinal principles throughout the process of reform and opening up." (ibid., p 217)

10. Science and technology as the primary productive forces are also essential for development. Deng Xiaoping pointed out: "To achieve faster economic development, we must depend on science, technology, and education. I would say that science and technology are the primary productive forces. How fast the scientific and technological development in the world has been in the past 10 or 20 years!" (ibid., p 67) "High national economic growth will not be possible without high-speed scientific and technological development." (ibid., p 61)

11. Deng Xiaoping maintains that development is the most fundamental yardstick for measuring the performance of our work in various fields. He said: "We should see whether our work is conducive to developing our socialist society's productive forces, whether it is conducive to increasing our socialist country's overall strength, and whether it is conducive to improving people's living standards." (ibid., pp 60-61) We can see that, in all three cases, development has been regarded as the yardstick to measure performance in all fields.

12. According to Deng Xiaoping, development is also essential for promoting socialist ethics. He said: "Socialist ethics are derived from material construction!" (ibid., p 180) "We can promote socialist ethics as long as we have developed our productive forces, maintained our economic growth at a certain level, and persisted in promoting economic construction and spiritual construction at the same time." (ibid., p 141)

13. Deng Xiaoping has time and again instructed that we must seize the opportunity for development. Since the beginning of the 1990's, Deng Xiaoping has repeatedly taught the need to take advantage of opportunities. He said: "We must seize the opportunity. Now is the best opportunity. What I am worrying about is the loss of opportunities. If we do not seize them, the opportunities before us will go away very quickly. Time flies." (ibid., p 236) Therefore, we must "seize the opportunity to develop ourselves. The main purpose is to develop the economy." (ibid., p 236) To achieve a faster pace of development and strive to reach a new level every few years, he urged people to emancipate their minds further and work with greater daring.

14. Working hard to develop ourselves is also an objective of Deng Xiaoping's foreign policy. He said: "World peace is the target of China's foreign policy. Under the prerequisite of peace, we should dedicate ourselves wholeheartedly to modernization, developing our country and building socialism with Chinese characteristics." (*Building Socialism With Chinese Characteristics*, enlarged edition, by Deng Xiaoping, p 44)

15. The issue of development was also in Deng Xiaoping's mind when he pondered the market economy issue. The reason why he dares to break the conventional idea that market economy is peculiar to capitalism is because he understands that "there is no fundamental contradiction between socialism and a market economy. The issue is how to enable productive forces in society to develop more effectively." He said: "The development of productive forces will be restricted if we only have a planned economy." (*Excerpts of Deng Xiaoping's Expositions on Building Socialism With Chinese Characteristics*, p 96)

Many ideas in Deng Xiaoping's important expositions can be found to demonstrate that development is the true spirit of his theory on building socialism with Chinese characteristics. With this knowledge in mind when we examine the main points of the nine topics in the 14th CPC National Congress report, we notice that the report has summarized Deng Xiaoping's theory on building socialism with Chinese characteristics with development as the main theme.

The fact that development is regarded as the true spirit of Deng Xiaoping's theory has reflected the needs of the time, conformed to historic trends, collectively reflected the people's wishes, and determined China's future.

## II.

When we understand the true spirit of Deng Xiaoping's theory, we will understand that socialism with Chinese characteristics is a developing socialism. The value of Deng Xiaoping's theory lies in the fact that it has answered a series of basic questions, including how an economically and educationally backward country like China builds, consolidates, and develops socialism.

First, China's development is one of shaking off poverty and achieving common prosperity. Deng Xiaoping's theory tells us that, to uphold socialism, "we must first build a socialism that can shake off poverty. Although we can also say we are building socialism, we are actually not qualified to do so." Only after we have shaken off poverty, "can we say that we have built socialism and proclaim proudly that socialism is superior to capitalism." (ibid., p 26) To claim that we have shaken off poverty, the development of our productive forces must be able to reach or approach those of today's modern world. While developed capitalist countries continue to develop, undeveloped and developing countries should strive even harder for development to shake off poverty. To shake off poverty, China must not promote capitalism. Making concerted efforts to attain progress does not mean that China is developing capitalism. In Deng Xiaoping's theory on building socialism with Chinese characteristics, the theory of shaking off poverty and the theory of achieving common prosperity are closely linked. Common prosperity has two meanings: First, it means both the state and the people are affluent. In other words, the purpose of developing society's productive forces and shaking off poverty is not simply to build a prosperous country with stronger overall strength, but to create an affluent nation wherein people enjoy higher living standards. Second, it means that some areas and some people should be allowed to become affluent first so that more and more areas and people will follow their example, and eventually the whole nation will become affluent. If we say that shaking off poverty is a need commonly shared by developing nations with different social systems during their modernization drives, then common prosperity as a characteristic of the socialist system is even more pronounced. Shaking off poverty and achieving common prosperity are closely related, and they both reflect the characteristics of China in its modernization endeavors.

Second, China's development is a coordinated development of the whole society. Deng Xiaoping's theory states that "there are many missions to accomplish in the modernization drive, and the efforts exerted to accomplish them should be balanced and should not be placed on just one area." (ibid., p 56) After we have determined that the focus of China's development is economic development, and that the fundamental task is to develop productive forces, we must make sure that these tasks are carried out in coordination with other aspects of social development, and that there will be overall development and progress in all social quarters. In this regard, Deng Xiaoping has particularly stressed that

economic development must be coordinated with economic, political, and educational development. Coordinated economic development and political development means democratic development, and coordinated economic and educational development means improving the nation's quality through spiritual construction. Deng Xiaoping said: "We carry out socialist modernization because economically we want to catch up with developed capitalist countries, and politically we want to create greater and more practical democracy than that of capitalist countries, and produce more and better talents than they can." (ibid., p 115) This statement embodies his idea of coordinating economic, political, and educational developments, and it embodies China's quest for prosperity, democracy, and civilization at the same time in its socialist modernization drive.

Third, China's development is a development under the conditions of opening up. China's development will not have broad prospects unless China places itself in the historical process of global development. The general demands of people throughout the world today are world peace, national development, social progress, economic prosperity, and better living standards. Opening up will give China greater pressure and a more powerful push to develop, enable it to see more clearly the development examples set by developed countries, make it more capable of utilizing the world's modern achievements for development, and also enable it to obtain funds, resources, and vast markets essential for economic development, thereby accelerating China's development. Therefore, China's development must come under the condition of opening up, because "construction behind closed doors is not practical, and development cannot be achieved in such a manner." (ibid., p 171) Meanwhile, Deng Xiaoping also realized that "the opening policy will definitely bring some bad things that will influence our people. If you talk about risks, this is the biggest one." However, he added, "If we are serious about dealing with this problem, we will find a way." "We will not slacken our efforts in dealing with this problem." (ibid., p 139) This is because if we view this problem from the perspective of development, the adverse effects on the socialist cause, country, and people will be even more serious if China fails to develop. In terms of risks, therefore, the risks involved in not opening to the outside will be even greater. China certainly will firmly open to the outside world when people in the country have thoroughly comprehended the true spirit of Deng Xiaoping's development theory.

Finally, China's development is a development under the conditions of achieving social stability. A common problem that many less developed countries confront is how to avoid severe social shock during the process of accelerated social development. In the case of China, it can no longer withstand any more unrest, no matter in which field. In this connection, Deng Xiaoping's theory about achieving development on the basis of stability and making progress on the basis of order provides an answer. A stable political environment is of the utmost

importance to social stability. "Nothing can be accomplished without a stable political environment," (ibid., p 222), and a stable political environment can be guaranteed by upholding the four cardinal principles. This shows the value of the four cardinal principles as the foundation on which the country is founded. Social stability must also be guaranteed by the stability of the ruling party's lines, principles, and policies. Deng Xiaoping stressed that the basic line will remain unshaken for 100 years. He stressed that the reform and open policy will not be changed because he wanted to create social stability to guarantee development. He said: "Nobody may change the principles, policies, and strategies we have drafted. Why? Our actual experiences have proven that they are correct, and if they are changed, the state and the people will both suffer losses." (ibid., p 29) Another important guarantee for social stability is that our reform must proceed in an orderly way. Deng Xiaoping pointed out: "We must proceed with our reform in an orderly way. By orderly, this means we must act with daring, but carefully, and we must sum up experiences in time and advance steadily. If we proceed in a disorderly manner, we will encounter all kinds of interference, we will waste our energy on dealing with them, and our reform will not succeed." (ibid., pp 101, 101) In that case, China will not be able to develop.

### III.

Deng Xiaoping's theory of building socialism with Chinese characteristics bears distinctive characteristics of our nation and of our times; it is a product of the integration of basic Marxist-Leninist principles, with characteristics from contemporary China's reality and our times. It was gradually formed and developed in the course of the country's practice of reform, opening up, and socialist modernization over the past decade and more. The theory ensures that the country's socialist reform, opening up, and modernization develop healthily. The 10 years and more was a period when the whole party and country concentrated hard on socialist modernization, a period when people's living standards improved the most, and, therefore, a period when, since the founding of our People's Republic, the best and fastest development in all aspects took place. To a great extent and without a doubt, we owe all this to Deng Xiaoping's theory. Deng Xiaoping is worthy of being the chief architect of China's socialist reform, opening up, and modernization.

For more than 10 years, while benefiting from the guidance of Deng Xiaoping's theory, our country's development has also served as a preliminary test for its scientific nature and truth. With Deng Xiaoping's theory on building socialism with Chinese characteristics further and systematically summarized by the 14th national party congress, and with the theory's major content and essence further understood and mastered by the whole party and nation, our country will definitely enter a period of new, better, and faster development. In this sense, the essence of Deng Xiaoping's theory will definitely be transformed into a massive material success,

which will be reflected in the practices of the whole party and nation, and in China's further progress in socialist modernization.

International and domestic conditions have now provided us with a great opportunity for development. Such opportunities have arisen not only because our country is in an era of peace and development, or because it is in the East Asian region, where the world's most vigorous development is taking place, but also because our party and people have learned from over a decade of lessons, accumulated more than 10 years of experience, and obtained the precious spiritual wealth given by Deng Xiaoping's theory on building socialism with Chinese characteristics, and also because the people desire development and the whole nation has focused on development. Furthermore, the party Central Committee, under the guidance of Deng Xiaoping's theory, recognized the rare opportune moment for China and remained consistently sober-minded, even when vigorous development has been going full steam ahead. It has analyzed the new situation in development by seeking truth from facts and accurately and methodically handling a series of new problems in development, such as those concerning development and opportunities, development and regions, development and conditions, development and speed, development entering a new stage, and coordinated development between the economy and other aspects of society. Hence, we can say that the essence of Deng Xiaoping's theory—with its scientific and contemporary nature, its affinity to the people, and its practicality—is displaying greater and greater vitality, and is providing us with abundant hope and brilliant prospects for the development of the socialist cause.

### Ding Guangen on Theory of Building Socialism

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[By RENMIN RIBAO reporter Huang Meilai (7806 5019 0171) and XINHUA reporters He Ping (0149 1627) and Zhao Lanying (6392 5695 5391)]

[Text] Shanghai, 20 Jun (XINHUA)—Speaking at the seminar on the theory of building socialism with Chinese characteristics that ended in Shanghai on 19 June, Ding Guangen, member of the Political Bureau and Secretariat of the CPC Central Committee and director of the Propaganda Department of the CPC Central Committee, said emphatically: A national spirit is required for national development, whereas a contemporary spirit is essential for the advancement of the times. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics represents spiritual wealth distilled from this era by our nation, as well as a source of inspiration driving all party members and people of all nationalities across the country to work unremittingly toward socialist modernization. Arming the entire party with this theory and steadfastly following the party's basic line for 100 years have an impact on the prospects of socialism in China and on the fate of the Chinese

nation. We must work intensively and realistically to promote this great cause that determines the destiny of the party and the state.

Ding Guangen said: All party members should work hard to implement this task. Propaganda and ideological departments shoulder an even greater responsibility. Theoretical workers should heighten their sense of mission, responsibility, and urgency; unite as one; advance in a pioneering spirit; and share this honorable and heavy responsibility.

Participants in the seminar, convened by the CPC Central Committee's Propaganda Department, shared new research achievements made by theoretical circles since the 14th national party congress and conducted in-depth discussions on ways to further intensify efforts to study, research, and publicize Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics.

Ding Guangen stated: Since the Third Plenary Session of the 11th CPC Central Committee, our country has achieved substantial improvements in the national economy, in the people's living standards, and in overall national strength. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics constitutes the root cause underlying the continued vigor of our socialist system in a drastically changing world, as well as our clear and broad path of development. This hard-won theory is the most precious spiritual wealth of our party and people. He said emphatically: Arming the entire party with the theory of building socialism with Chinese characteristics constitutes an inherent requirement for advancing the great cause of building socialism with Chinese characteristics, a fundamental guarantee for steadfastly following the party's basic line for 100 years, and a strategic measure for strengthening party building and for allowing the party to function as a leadership core. He said: Ours is a governing party, with a membership of more than 50 million, in a large country with a population of 1.1 billion. In the absence of a unified scientific theory and a correct line, success would be impossible for such a large party, which is spearheading the most magnificent cause that has ever been undertaken. By earnestly arming all its members with the theory of building socialism with Chinese characteristics as a fundamental task of improving itself, our long-tested Marxist party can remain strong and forever young, and the party that faithfully reflects the interests of people of all nationalities throughout the country can always remain at the forefront of the times, maintain close relations with the people, and expand its role as the leadership core in the great cause of building socialism with Chinese characteristics.

Ding Guangen stated: In arming the entire party with the theory of building socialism with Chinese characteristics, we should first study it thoroughly, master its main principles and basic viewpoints, extract its essence, and apply what we learn to reality. He said: In essence, this theory calls for emancipating our minds, seeking truth

from facts, and following our own course by applying basic Marxist tenets to the reality of present-day China and to the ethos of the times. This approach represents a principal and pivotal way to master this theory. The theory reflects a scientific way of thinking and a creative spirit developed by the CPC after undergoing numerous hardships and recurring spells of character-building adversity. In studying this theory, we should master its essence and observe, understand, and solve problems on the ideological basis of emancipating our minds and seeking truth from facts. We should display a fine style of learning. We should stress tangible results and oppose formalism. In light of the problems that we encounter in contemplating matters, we should study this theory in true conjunction with the efforts aimed at improving our understanding, renewing our concepts, changing our style, implementing the party's basic line and the various tasks set forth by the 14th national party congress, and solving practical problems in our units and regions. Only this approach will make our study lively, innovative, and fruitful.

Ding Guangen stressed: To arm the whole party with the theory of building socialism with Chinese characteristics, the key lies in arming all the leading party cadres, especially the senior cadres, with this theory. During the great cause of building socialism with Chinese characteristics, leading cadres at all levels have an important responsibility to bear. They must have a firm grip of the theory of building socialism with Chinese characteristics and must be able to apply this theory. Only when they can do so can they be sure that, both organizationally and ideologically, the party's basic line will not waver for 100 years; that they can soberly observe the changing and highly complex world and deal with its developments calmly; and that they can correctly judge the situation and take the initiative while leading reform, opening up, and modernization. Leading cadres at all levels must clearly understand their responsibility, earnestly practice what they advocate, and take the initiative in studying and applying the theory of building socialism with Chinese characteristics.

Ding Guangen pointed out: Theoretical workers have to bear the important responsibility of accomplishing the mission of arming the whole party with the theory of building socialism with Chinese characteristics. They should, in accordance with the requirements set by the 14th party congress and working in conjunction with the actual situation, earnestly study, propagate, and research the theory of building socialism with Chinese characteristics; and they should encourage all party members and people in the whole country to work hard to build socialism with Chinese characteristics.

Ding Guangen also underscored the need to build a contingent of theoretical workers. After pointing out that our theoretical workers are fine and creative, he urged the vast number of theoretical workers to continue to emancipate the mind, seek truth from facts, explore with daring, and bravely innovate. He also urged theoretical workers to go deep into the realities of reform, opening

up, and the modernization drive to learn from the masses and from actual work so they can respond to their hot issues, doubts, and problems. He said: Our theoretical articles and lectures, including all theoretical and propagandistic education, must be relevant to realities, be of flesh and blood, be vivid and lively, be able to touch people's hearts and solve their problems, and be able to provide hard-working builders and explorers with powerful theoretical support and spiritual strength. Theoretical workers should make new contributions to enriching and developing the theory of building socialism with Chinese characteristics by providing the party and the government with practical views and suggestions so they can make their decisions through a scientific approach.

Ding Guangen pointed out: The great task of building socialism with Chinese characteristics has broadened the space for theoretical research. Theoretical workers have a heavy burden to bear; their journey ahead is long; and they have much work to do. We must strive to provide the vast number of theoretical workers with all kinds of favorable conditions so they can give even fuller scope to their wisdom, resourcefulness, and creativity. Adhering to the course of serving the people and socialism and firmly implementing the policy of letting a hundred flowers blossom and a hundred schools of thought contend, we must trust, understand, and support theoretical workers, safeguard academic freedom, and enliven theoretical work through creating an atmosphere and an environment that can enhance unity, democracy, ease of mind, and harmony. Theoretical workers should be aware of the importance of unity among themselves. They must trust, respect, learn, and help one another; place emphasis on construction; and concentrate their efforts on accomplishing the common assignment of studying, propagating, and researching the theory of building socialism with Chinese characteristics. We should attach importance to building up the contingent of theoretical workers by making great efforts to cultivate and support middle-aged and young theoretical workers so that the young and very accomplished theoretical workers can distinguish themselves. This important project should be placed on the agenda. Ding Guangen added: Our cause requires a large contingent of theoretical workers who have firm convictions, who are earnest, and who press forward in unity; and we need a large number of mentally sharp and learned theoreticians who associate their research with reality. We should work hard to build such a contingent of theoretical workers.

In conclusion, Ding Guangen said: The task of arming the whole party with theory of building socialism with Chinese characteristics is an urgent and protracted one. Party committees and propaganda departments at all levels must earnestly strengthen their leadership in this regard, draw up plans, popularize experiences, and strive to create an atmosphere for studying the theory so it can demonstrate its great strength in guiding the thinking of all party members, in solidifying their will, and in heightening their spirit.

Wu Bangguo, member of the CPC Central Committee Political Bureau and secretary of the Shanghai Municipal Party Committee; Shanghai Mayor Huang Ju; and Zheng Bijian executive deputy head of the CPC Central Committee Propaganda Department, attended the closing session. Bai Keming, deputy head of the CPC Central Committee Propaganda Department, chaired the meeting. Wang Daohan, Feng Xianzhi, Chen Zhili, Xing Bensi, Ru Xin, Liu Ji, Zhou Ruijin, Gong Yuzhi, Jin Binghua, Hu Fuming, and other responsible persons of relevant authorities also attended the meeting.

### Li Tieying Inspects Hunan, Discusses Reform

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[Text] Li Tieying, member of the CPC Central Committee Political Bureau and state councillor, stressed when inspecting our province: We must carry out more research, reach common understandings, work through deepening of reform, and use economic methods to solve pressing problems arising from current economic life and to establish a standardized socialist market economy and operating mechanism.

From 11 to 16 June, in the company of Hunan provincial party Secretary Xiong Qingquan, provincial party Deputy Secretary Sun Wensheng, and other comrades, Comrade Li Tieying inspected the three cities of Changsha, Zhuzhou, and Xiangtan and some enterprises, and successively held informal discussions with comrades of 17 departments, such as the provincial planning commission, the provincial economic commission, and the provincial agricultural economic commission. He also separately convened some enterprise forums.

Comrade Li Tieying pointed out when speaking on the current situation: Conflicts and problems arising in current economic development are, fundamentally speaking, due to the fact that some deep-level problems of the traditional planned economy have not been solved and that the socialist market economy has not taken shape. At present, it is difficult to produce results by using old methods, which are largely administrative means, to solve certain problems in current economic life. We must rely on reform and use economic means more frequently. We must shift our focus from growth rate and development to reform and economic returns.

Regarding the problems existing in current economic life, Comrade Li Tieying pointed out: It is necessary to resolutely curb the practice of inappropriately obtaining interbank loans and raising funds. Funds unreasonably lent must be recalled within a stated time and we must try in every possible way to increase savings. Various nonbanking and nonfinancial economic entities run by banks must be completely delinked from banks.

Li Tieying said: The key to current financial restructuring is to strengthen the central bank's control over money supply. We must more frequently apply indirect regulation to basic currency.

In the afternoon of 15 June, Comrade Li Tieying held an informal discussion with provincial party, government, and army leading cadres. Regarding the present situation and tasks faced by our province in reform and development, Comrade Li Tieying pointed out: At present, the Hunan Government is undergoing rapid transformation from traditional rural economy to modern industrial economy and from traditional planned economy to modern market economy. During the process of the two rapid transformations, agriculture as a major sector will encounter greater friction and difficulties. The way out for overcoming these difficulties lies in the following: First, it is necessary to expedite readjustment of the economic structure; and second, it is necessary to quicken the pace of reform and expedite the transition to market economy.

During his inspection in our province, Comrade Li Tieying paid a visit to Comrade Mao Zedong's former residence in Shaoshan. He also went to Hunan Province No. 1 Normal School, Changsha City No. 1 Secondary School, and the provincial gymnastics training center to visit teachers, students, administrative personnel and workers, athletes, and coaches. He also held an informal discussion with figures of cultural circles in the province, listened to their views, and jointly deliberated with them on the important matter of promoting culture.

### **Further on Li's Inspection**

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[Text] Changsha, June 17 (XINHUA)—As China enters a new period when the national economy is developing rapidly and a socialist market economic system is being built, it is necessary to make deep investigations into problems to accelerate and deepen the economic reform.

Li Tieying, member of the Political Bureau of the Central Committee of the Communist Party of China, state councillor and minister of the State Commission for Restructuring the Economy, made these remarks during his recent inspection tour in Central China's Hunan Province.

Accompanied by provincial leaders, Li Tieying and his party, consisting of officials from the State Commission for Restructuring the Economy and the People's Bank of China, inspected the three cities of Changsha, Zhuzhou and Xiangtan as well as some enterprises. They also held discussions with 14 provincial departments, trying to find out how a province can deepen the reform and speed up economic development in the light of the unified principles and policies of the central government and of its own specific conditions.

Li pointed out that the new contradictions and problems emerging from economic development stem basically from the fact that some interior problems of the traditional system of a planned economy have not been solved and a socialist market economic system has not been established yet.

The solution to these problems lies in new modes of thinking and new methods, Li stressed.

On how to speed up economic reform, Li emphasized that it is imperative to quicken the reform of the financial system by strengthening the role of the central bank in adjusting and controlling the supply of currencies, speed up the transformation of government functions, earnestly carry out the regulations on the transformation of the operational mechanism of state-owned industrial enterprises, and quicken the reform of the social insurance systems of housing, employment, pensions and medical care.

### **Journal Reviews Public Security Work, Results**

HK2006064593 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 22, 31 May 93 pp 5-7

[Article by Li Li (2621 2980): "China Achieves Good Results in Tackling Key Problems in Social Order"]

[Text] In some areas on the mainland, criminal activities have been running wild for a period of time. Criminal offenders have done all kinds of evil and brought about chaos and disorder in society everywhere. Since 1990, in order to improve the security situation in these areas, the relevant central departments have been coordinating with the governments of some localities in Guangdong, Hunan, and Yunnan, where security problems were especially serious, in dealing heavy blows at serious criminal offenders. As a result, social order in these areas has been greatly improved.

Statistics show that in the period from January to October 1992, more than 3.64 million cases were reported to police and placed on file for investigation and prosecution, a drop by 34.6 percent over the same period of the previous year. The growing trend of big and serious criminal cases in the previous years has been controlled to a certain extent, and there has been an increasing number of areas and units where security order is improving.

Now work of tackling major problems in social order is being carried out throughout the country.

### **The Startling "Severely Afflicted Areas"**

Over the past few years, criminal groups of an underworld society nature have appeared in many areas on the mainland. The criminal offenders of these groups have not only seriously jeopardized social stability and the security of the people, but also seriously obstructed the development of economic construction and various activities of their localities.

For example, Hunan's Shaoyang city was "well-known" throughout the country during the "Cultural Revolution" for its disorder. In recent years, the number of serious cases such as murder, robbery, and rape has been increasing sharply. In 1990, the number of serious criminal cases in this city grew by 1,240 percent over 1982

and the number of criminal groups grew from 82 in 1987 to 1,110 in 1990. These criminal groups have done all kinds of evil, such as beating, robbing, stealing, and murdering. In urban areas of the city alone, some 25 cruel cases of chopping off fingers and cutting tendons have occurred since 1988.

For another example, in Hengyang, a major city of southern Hunan, groups of pickpockets have been conducting criminal activities along the several hundred kilometers of railways between Hengyang and Leiyang since the 1980's. Some even used guns and weapons during robberies. Some materials of the railway departments have also been stolen. In 1989 alone, materials stolen from this railway section were worth more than 5 million yuan.

For a third example, in Yunnan's Pingyuan area, some lawless elements have engaged in criminal activities such as drug and gun trafficking under the pretense of nationality and religious activities since the mid-1980's. They have controlled some grass-roots political and religious powers and formed evil forces with a nature of the underworld society, making this area a base for drug collection and distribution by international criminals.

The broad masses of people have strongly appealed for resolute action to eliminate serious criminal activities.

#### Police "Hit Out" in an All-Around Way

In 1990, in view of the fact that lawless elements and criminal offenders were swollen with arrogance, and the broad masses of people had appealed for severe punishment of criminals, Chinese Governments at various levels, from the higher level authorities to the relevant law enforcement departments, decided to concentrate their efforts on tackling major security problems in those areas where problems and criminal cases were especially serious. In one-third of the provinces, municipalities, and autonomous regions, extensive rectification was carried out to improve public security order. Police forces concentrated on the investigation and solution of some major and big cases, on pursuing and arresting a number of criminal offenders at large, and on destroying criminal groups and giving them severe and prompt punishment according to the law.

On 6 December 1990, Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee and then secretary of the Central Commission of Political Science and Law, wrote the following instructions on a report reflecting social disorder in Shaoyang city: "The social situation of Shaoyang is indeed very shocking." "It is necessary to concentrate efforts, after making a thorough investigation of the situation, to deal heavy blows at and severely punish criminals involved in serious cases." After that, work of tackling major security problems was carried out in an all-around way in Shaoyang. From January to September 1991, through 10 months of rectification, the number of criminal cases placed on file for investigation and prosecution dropped by 43.1 percent compared with the

same period of the previous year. Vicious hoodlum cases have never happened in this city since then, and the polluted social atmosphere has greatly improved. In the same period, the Shaoyang City CPC Committee and city government also implemented a responsibility system to improve social order. They repeatedly emphasized that the completion of the period of concentrating efforts to improve social order did not mean the completion of the work of maintaining social order and cracking down on criminal offenders. It is necessary to make unremitting efforts to maintain good social order. The improvement of social order has promoted the development of production. In 1991, Shaoyang's gross industrial and agricultural output value increased by 13.5 percent over the same period of the previous year. A good trend of development never seen before has also appeared. Over the past year or so, Shaoyang has regarded improvement of social order as important work and has done a good job in this field. From January to October 1992, the city has cracked a total of 2,499 criminal cases. The rate of criminal cases cracked reached 70.4 percent, which was an increase of 34.5 percentage points compared with the same period of the previous year. Basically, especially serious cases have been cracked shortly after taking place.

In June 1992, the railway section between Hengyang and Leiyang, which had always been in disorder, became extremely quiet. The fact is that Hengyang city sent 4,481 security personnel to that railway section to carry out a general examination for three days. As a result, some 353 lawbreakers were arrested, a total of 167 criminal cases were cracked, and more than 170,000 yuan worth of stolen money and goods were seized. After that, Hengyang sent more than 900 police cadres to that area again to investigate all kinds of cases. From June to October, some 2,164 larceny cases and 372 robbery cases were cracked. The crime rate of the Hengyang-Leiyang railway section dropped by 67.5 percent compared with the previous five months. As the government took strong measures against criminal activities, the initiative of the masses was mobilized. More and more people joined the struggle against crime. They acted as the guide for police in tracing and capturing escaped criminals, reported crimes to the police, or advised their relatives and friends who had committed crimes to surrender themselves to the police. The social atmosphere was greatly improved.

The criminal activity of drug and gun trafficking in the Pingyuan area had been a "difficult problem" for many years. On 31 August 1992, with the approval of the CPC Central Committee and the State Council, the Yunnan Provincial CPC Committee and provincial government adopted resolute measures and special policies and transferred more than 2,000 public security cadres and police as well as armed police and several hundred party and government cadres to that area to encircle and suppress serious criminal offenders and groups there. By 20 November 1992, some 854 criminals in that area had been exposed, and 656 of them had been punished

according to law. At the same time, some booty and stolen goods were captured, including 896 kg of heroin, 85 kg of opium, and 93 kg of phenacetine; 353 military guns, 611 nonmilitary guns, about 40,000 bullets of various kinds, some 278 grenades, antitank grenades, and mines; 10.47 million yuan of stolen money, 2.5 kg of gold, and 14.4 kg of silver; and 94 motor vehicles and motorcycles. After tackling major security problems, the criminal forces in that area were destroyed, social order was resumed, and the production and life of the masses of people returned to normal.

#### **Work of Tackling Major Security Problems Being Carried Out Throughout the Country**

Sources from the Central Committee for Comprehensive Management of Social Security said that work of tackling major social security problems is being carried out throughout the country. Relevant sources revealed that the main areas where major security problems will be tackled include: Special economic zones, coastal and border open cities, open cities along rivers, districts of large cities and provincial capitals where security is in disorder, and railway and highway sections where bandits are running wild; the main problems to be tackled include prostitution, drug making and trafficking, abduction of women and children, and the activities of the underworld societies.

—The main government officials at all levels should attach great importance to this work and carry out effective management of it and should put the work of improving social security in an important position. Shaoyang city was once in great disorder. The main reason was that the city leaders did not attach great importance to this problem. Regarding criminal practices such as chopping off fingers and cutting tendons, which were conducted by some criminal groups against others, as merely struggles between the underworld societies, they did not realize the seriousness of these practices and their harmfulness to society and did not take resolute measures to stop them. As a result, the social security situation became grimmer and grimmer with each passing day. After Comrade Qiao Shi gave an instruction on this matter, the Shaoyang City CPC Committee and city government were greatly shocked. Some comrades said with qualms of conscience: "We are officials of Shaoyang, but are unable to maintain security in this city. We have failed to live up to the trust and expectations of the party and the people. If we do not make great efforts to improve social security, we will prove ourselves unworthy of the trust of our fellow villagers and will be guilty in history." Then more than 400 cadres were transferred from the organs directly under the city authorities to perform security duties in the streets, and "three leading bodies" for improving social order in a concentrated way were established. The secretary of the city party committee and mayor of the city also joined the leading bodies. They effectively mobilized forces from various quarters to tackle security problems in a concentrated way. Disorder in

this city was soon improved. During this rectification, the higher authorities required officials at all levels to take up responsibility personally without slackening.

—Take the offensive against criminal activities, concentrate efforts on improving social security in major areas, and deal heavy blows at serious criminal activities. It was learned that in the effort to tackle major security problems throughout the country, all localities were required to deal heavy blows at serious criminal activities and put criminals on trial according to the law immediately after they were arrested. Law enforcement organs were instructed to take coordinated action and make common efforts to improve social order.

—To effect a permanent cure, it is necessary to mobilize the masses and strengthen construction of grass-roots organizations. At present, some criminal offenders on the mainland are carrying out their criminal activities under legal pretexts. For this reason, the relevant departments have demanded that various localities strengthen construction of the grass-roots organizations and fully mobilize the masses in the course of improving social order comprehensively and mobilize and organize forces in various fields to crack down on and prevent crimes. In the course of tackling major security problems, the masses of Shaoyang city provided more than 5,400 clues for solving criminal cases and seized and handed over to public security authorities more than 320 criminals. Some 850 people handed over their criminal children to public security authorities or urged them to surrender themselves to police. After tackling major security problems in a concentrated way, they established and vigorously promoted joint defense networks among the masses. In as little as one year's time or so, more than 11,000 lawbreakers have been arrested, some 684 cases of incidents and hidden danger have been discovered and handled, and the occurrence of 862 criminal cases has been prevented.

—It is necessary to run the police strictly and combine police administration closely with improvement of social order. The quality and building of the political and legal contingent have a direct bearing on the result of the work of improving social order. At present, some cadres and police in a small number of localities are colluding with criminal offenders in their criminal activities. Some provide criminal offenders with information and serve as their "agents" in the police departments, and some seek and take bribes and suppress the masses. Although they are very few in number, they have greatly damaged the image of the political and legal contingent and undermined social security and stability. Now the relevant departments have adopted measures to strengthen social supervision over the political and legal contingent. They have worked out regulations and norms for cadres and police, demanding that law enforcement organs of various localities run the police strictly. Cadres and police who have violated laws and discipline and have

been found not suitable for political and legal work should be transferred to other posts without hesitation, so that public security cadres and police can become a highly qualified pillar contingent in maintaining social order.

An official in charge of social security work emphasized that "work of tackling security problems will be carried out wherever there are more and more serious security problems." This is a long-term task for the law enforcement contingent. Although the security situation of some localities has been fundamentally improved after tackling major security problems, this work should be still further strengthened in more than half of the areas where security problems are serious. The relevant central departments have demanded that various localities effectively implement measures for comprehensively improving social order so that the security situation of the country can be fundamentally improved.

#### **Commentator on Train, Highway Robbery Measures**

*OW2006131993 Beijing XINHUA Domestic Service in Chinese 2111 GMT 15 Jun 93*

[By unidentified XINHUA commentator: "Crack Down on Train and Highway Banditry; Strengthen Comprehensive Control"]

[Text] Beijing, 16 Jun (XINHUA)—In recent years, train and highway robbery has been a prominent crime to which all social sectors have responded strongly.

Highways and railways are arteries of the national economy. Train and highway banditry has seriously undermined communications and transportation order, directly endangered economic construction, and caused the state and the people huge losses in terms of property and lives; thus they have had a serious impact on people's safety and social stability.

Under arrangements by the Leading Group for Comprehensive Control of Public Offenses, local authorities and relevant departments have closely cooperated in launching one fight after another against train and highway banditry. Many crime rings have been broken, many criminal lairs have been eliminated, many major cases have been cracked, and many criminals have been harshly punished. As result of special actions and comprehensive control, the security along some highway and railway sections in some key areas has improved noticeably, and the order in some stations and means of transportation has been brought under control.

However, crimes of robbing passengers' money and belongings and burglarizing cargo remain serious along some local highways and railways. In some areas, crimes have reappeared soon after a crackdown on crimes has been slightly relaxed. One very important reason is the lack of preventive, follow-up measures—or, we may say, the lack of effective preventive and comprehensive control measures.

To crack down on train and highway banditry, we must, under the unified arrangements made by various committees for comprehensive control of public offenses, mobilize all departments to deal with the problem together so that public security organs do not have to act single-handedly. Meanwhile, the crackdown must be coordinated with other comprehensive control measures so that the problem can be dealt with comprehensively and simultaneously. Whether we can do this is crucial to how much we can achieve in the fight and whether we can consolidate the results.

Experiences prove that while cracking down on crimes is a very important project that we cannot afford to slacken at any time, serious public offenses cannot be fundamentally solved by this approach alone. Thus, we must deal with both the root causes and the symptoms by cracking down on crimes and preventing them at the same time. This is specifically why the Central Committee for Comprehensive Control of Public Offenses recently held an on-the-spot meeting in Guiyang to publicize Guizhou Province's experiences in safeguarding highway security with preventive measures. If other places earnestly follow Guizhou's experiences in conjunction with their own situations, not only will they contribute to the preventive efforts and consolidate the results achieved over the past several years, but they will also help promote the measures for fundamental control and amplify the successes achieved in cracking down on train and highway banditry.

In cracking down on train and highway banditry, we must do so by exerting efforts that are continuous and unremitting rather than intermittent and sporadic. While doing our jobs, we must continue to sum up new experiences so that our previous experiences can develop, perfect, and improve, and so that comprehensive control of railway and highway security can be systemized, standardized, and codified into law. As long as all communities exert efforts together to prevent and crack down on crimes simultaneously and deal with the root causes and the symptoms, the project certainly will score increasingly better results and will effectively guarantee the success of our reform and opening endeavors and modernization drive.

#### **Commentary on Deepening Reform, Part Four**

*HK1806123693 Beijing RENMIN RIBAO in Chinese 11 Jun 93 pp 1, 2*

[By staff reporter Pan Gang (3382 1511): "Make Great Efforts To Cultivate Markets—Fourth of a Series of Commentaries on Deepening Reform"; Parts Two and Three were published on pages 23 and 24 of the 18 June China DAILY REPORT]

[Text] The call for cultivating markets has become stronger since the target was set for establishing the socialist market economic structure.

We should lose no time in implementing price reform. Through 14 years of reform, the Chinese people believe

that the establishment of markets and the formation of a price mechanism are inestimably important.

**During the Last 14 Years of Reform and Opening Up, We Have Relaxed Control Over Most Commodity Prices and Operations, Bringing About Extremely Significant Development in the Establishment of All Kinds of Markets; Markets Are Thriving, the Economy Is Lively, and Commodities Are Abundant**

In the early 1980's, a piece of news from northeast China had repercussions among the millions: Harbin Mayor Wang Chonglun was anxious when he saw that the citizens had no bean curd to eat. He personally went to the grass-roots levels to take charge of bean curd production.

How could bean curd production stop in Harbin, previously known as the "bean-curd-producing city?" Because bean curd enterprises could not profit from bean curd production!

In the 30 years after the founding of the PRC, our country practiced a monopoly system for the purchase and marketing of industrial products. Purchases for agricultural and sideline products were based on the monopoly system or were arranged through the system of state quotas. This highly centralized planned management system played a very useful role in ensuring food and clothing for everyone during a special period when commodities were in short supply. However, this system inevitably came to be punished by objective economic laws because it cast aside the concept of value.

Despite the mayors' efforts to deal with various problems, there was no fundamental improvement in commodity shortages; although "plans" were worked out each year on how to make life easier for the masses, complaints about difficulties in getting things accomplished continued to be heard.

It will not do if there are no markets in socialism. In developing the socialist market economy, there is a need to form a socialist market economic structure and bring into play the role of the market mechanism in distributing resources and regulating the economy.

Since the Third Plenary Session of the 11th CPC Central Committee and particularly since Comrade Deng Xiaoping's southern tour talks, different localities have made major efforts to cultivate and develop markets and to relax controls over most commodities as well as commodity production and operations. According to statistics, the percentage of China's mandatory plans has dropped to 11.6 percent, and 79 percent of sales of enterprises' raw and semifinished materials and products are made through the market mechanism. For retail sales of social commodities, only approximately 10 percent of prices are under planned state management, and the percentage that are regulated by the market mechanism has risen to approximately 80 percent.

In the meantime, localities and departments are developing a number of transregional, transdepartmental, and

intertrade circulation enterprise groups, commodity delivery centers, and other circulation service organizations. A large number of regional wholesale markets for agricultural and sideline products and industrial products as well as production materials markets are being established. There are currently 76,000 marketplaces in the country which boast transaction volumes equivalent to over one-fourth of the country's total social retail sales volume. More than 100 have registered a transaction volume of over 100 million yuan each. There are more than 3,000 wholesale markets of all kinds throughout the country. Production material markets already number more than 1,000, although their development has been comparatively slow.

Apart from these, commodity exchange centers targeted at developing futures markets are beginning to appear, capital markets are taking shape, and there is a faster development trend in real estate, technology, information, and management and ownership exchange markets.

**We Should Correctly Appraise the Market System, Actively Cultivate and Develop Production Factor Markets, and Speed Up Price Reform To Finally Form a Mechanism Under Which the Market Determines Prices**

Unlike in the past, mayors no longer have to directly "grasp" production, and the markets are full of commodities. There are fewer and fewer enterprises which must "approach government departments," and products are becoming increasingly marketable.

Taken as a whole, however, China's market system is still taking shape. Cultivating markets remains a very arduous task:

—In the entire market system, the development of production factor markets is obviously moving slowly. In commodity markets, whose development is relatively good, production material markets are developing sluggishly. In the markets for agricultural and sideline products and industrial consumer goods, retail sales markets have developed well, but wholesale markets are not perfect enough.

—The organization and planning of markets still remain imperfect. Departmental separation, regional blockades, and trade monopolies have not been removed. Market law and system formation has seriously been lagging behind, and the ideal national law has not yet been formulated. Administrative monopoly and excessive competition exist together and are restricting the development of a market system for equal and orderly competition.

—"Seeking markets instead of mayors" is still far from becoming a reality in state-owned enterprises, which constitute the leading component of the national economy.

Price reform is an important component of the establishment of the market economy and is also an important element of market-driven resource distribution. In the

14 years of reform and opening up, China has practiced the price reform principle of "combining allocation and relaxation, with relaxation as the main method," thus making world-renowned achievements. In the course of firmly seizing the current favorable opportunity to straighten out price relations, apart from exercising management over a small part of important commodity prices and labor service charges, the state should completely lift its control over other commodity prices and labor service charges. The establishment of a new price formation mechanism with market supply and demand as the main guiding factor will become an important component of further deepening reform of the price management structure and the price formation mechanism.

The socialist market economy demands smooth circulation of all kinds of commodities to form a unified and open market system and a broad circulation and large market pattern for domestic and international convergence. Thus, in coordination with price reform and other relevant reforms and in the course of continuing to develop commodity markets—particularly production materials markets—we are required to actively cultivate and develop production factor markets with capital, labor, and technology as the main components; to improve market laws and regulations; to standardize market behavior; to break market separation and monopolies; and to guide enterprises in truly moving toward the market.

**In Optimizing the Distribution of Resources, Attention Should Be Paid to the Establishment of New Market Relations; the Position of Markets Is Determined by How They Display Their Functions**

On 25 February 1993 in Beijing, "grain officials" from 29 provinces, municipalities, and autonomous regions signed a provincial-level grain purchase and marketing contract for the first time. Thus the decades-long inter-provincial planned grain allocation system began to withdraw to the arena of history, and new interprovincial market relations began to be established for grain, an important commodity.

At the mention of cultivating the market structure, many people tend to focus their attention on the construction of exchange squares or buildings, thinking that the more the visible markets one has the better. Consequently, you build a seven-story exchange center, and I construct a 10-story exchange building. You build a market for single-category commodities, and I build several markets for single-category commodities. As a result, there are only "sites" and no "trading" in some markets.

As a matter of fact, to really take advantage of the market's role in distributing resources, we should focus our efforts on fostering new market relations. The main circulation of major commodities, such as grain, or technologically complicated products may be conducted through government purchase orders or long-term contracts in order to fix supply and marketing relations

between enterprises. If this is not possible, there is no need to drag enterprises into the markets for business transactions.

A document issued by the relevant ministry and commission under the State Council indicates that competition for higher grades in markets and for running futures markets is becoming a "hot trend." A report on a market under construction in a certain locality has already been submitted, which reads: If it is impossible to reach the state level this year, efforts will be made to reach at least the provincial or city level. In one business line, a dozen or so enterprises have proposed building futures trading centers. At least 100 enterprises in the country have applied to construct futures trading centers or have made such preparations.

As everyone is aware, the position of markets is determined by how they display their functions. Markets are not government institutions. How can there be different administrative grades or relations between superiors and subordinates? The Zhengzhou grain wholesale market and the Shenzhen nonferrous metals exchange center have only introduced some elements of the futures market mechanism. So far no genuinely standard futures trading centers have been established in China.

Cultivating markets is an arduous basic job. In establishing an open market system, we need to carry out bold explorations and active experiments but must never rush headlong into mass action.

**Daily Resumes Column on Peasants' Situation**

*HK1806120293 Beijing RENMIN RIBAO in Chinese  
10 Jun 93 p 1*

[“True Account of the Rural Situation” column by Huang Changquan (7806 2490 0356), Yu Dengping (0827 4098 5493), Peng Ziqiong (1756 1311 8825), and others from Masi village, Jinlun Town, Guanghan City, Sichuan Province: “Use Statutes To Protect Ourselves”—with accompanying “editor’s postscript” entitled “Peasant Brothers Are Welcome To Make Use of This Arena”]

[Text] Since the start of reform, like other peasants across the country, we, the peasants of Jinlun Town, Guanghan City, Sichuan Province, have also gradually become well-off by developing aquaculture and principal agriculture. From the bottom of our hearts we thank the party’s policy of making the people rich.

In recent years, however, like the 1,000-handed Guanyin [a Bodhisattva], all levels and departments stretched out their hands to the peasants to raise funds and collect apportionments under a multitude of names, increasing the figures from one level to another. In our village there were over 30 items. In addition to the expenses that should be paid, each peasant had to pay an average of 58 yuan in various apportionments and money collections. These included 20 yuan for personal insurance premiums (listed as a production service item in the peasant

household production contracts and forcibly collected), 10.2 yuan for children's insurance premiums (there are only 40 people in our village, but the township government collected the premiums appropriate for 47 people, an average of 12 yuan per person), 10 yuan for rural compulsory and accumulation labor, 8 yuan for unified prevention and control of plant diseases and elimination of pests, and 3 yuan for "four undertakes and one support" pig raising....The extremely heavy burdens, plus natural disasters, the ever-rising prices of the means of production, and the falling prices of grain and edible oil reduced our living standards to the level of just having enough to eat and wear.

In the face of irrational burdens, we had a lot of complaints but did not know where to go to reason things out.

Just as we were at a loss what to do, female villager Tang Guilan has, since the middle of June last year, been rushing about to look for policies and places to reason things out. After overcoming numerous difficulties, she finally found out about the "Regulations" of the State Council and Sichuan Province on reducing peasant burdens. Since then, she has been calling at people's homes to publicize the spirit of the "Regulations." After working hard for more than six months, she enabled people to understand the relevant party policies and regulations. She and her husband have been to the provincial capital twice; she and other villagers have also been to Deyang and Guanghan Cities on many occasions to report to the relevant departments on the heavy burdens of the peasants. This aroused the attention of the relevant higher departments.

After studying the "regulations," the peasants know how to protect their own interests according to the law. At the end of last year, under the supervision of the peasants, Jinlun Town reduced some irrational burdens. This year, the party committee and government have taken upon themselves the task of reducing the peasants' burdens and made it an important item on their agendas. The peasants are pleased to say: "The 'Regulations' have been enacted satisfactorily, they conform to reality, and they have given voice to the peasants' innermost feelings."

**Editor's postscript:** After being suspended for some time, readers can see again the "True Account of the Rural Situation" column on page 2 of this newspaper (to draw the attention of all quarters, the first article in the restored column is carried on page 1).

Why has it been suspended for a fairly long time? To tell the truth, it is because there have been too few contributions. One cannot make bricks without straw.

Is it because there have been no new developments that should be reported in good time? No. Is it because the peasants have nothing they are anxious to pour out? No. Why is it that articles about the glorious administrative achievements at all levels have poured in every day, while those about what the peasants are anxious and

worried about and what they are expecting have been few and far between? There are three main reasons: First, comparatively speaking, peasant brothers have a relatively low level of general knowledge and few of them can write articles themselves. Second, the comrades engaging in news reporting at various levels fail to concentrate their efforts on the rural areas and the peasants. Third, the most important thing is that people are afraid of offending local leaders or some powerful departments and courting trouble by reporting on some shortcomings or problems in their work.

China has a large peasant population. With most of them living scattered in villages, they have a relatively low level of organization. Faced with an unfamiliar and fast-changing market, they have a lot of perplexity, misgivings, and practical difficulties. For this reason, we have opened this "True Account of the Rural Situation" column to provide our peasant brothers with a window for direct dialogue with society. We hope our peasant brothers will make full use of it and abandon their misgivings about writing articles. As long as you reflect the actual conditions, it does not matter if the writing is somewhat unpolished. It is also hoped that the comrades engaged in news reporting at all levels will go to the rural areas more frequently, listen to their voices, and write their innermost feelings on their behalf. Articles about their feelings of joy, anger, sorrow, and delight are all acceptable.

Naturally, it is most important to have the understanding and support of leaders at all levels. Through media supervision we want to make all localities work better and enable all central policies on protecting the peasants and supporting agriculture to be implemented faster and better.

## Economic & Agricultural

### Jiang Zemin Addresses Xian Economic Meeting

OW1906121293 Beijing XINHUA Domestic Service in Chinese 0939 GMT 18 Jun 93

[By reporter Wang Chunsheng (3769 2504 3932)]

[Text] Xian, 18 Jun (XINHUA)—Jiang Zemin, secretary of the CPC Central Committee and president of the state, chaired a meeting in Xian 13-14 June to discuss the issue of promoting the economic development in five provinces and regions in northwest China through deepening reform and opening up these provinces and regions wider to the outside world. He emphatically pointed out that, to seize the opportunity and deepen reform, these provinces and regions must adhere to the guidance provided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, uphold the party's basic line characterized by "one center and two basic points," earnestly uphold the guidelines laid down by the 14th party congress, and accelerate the process of building a socialist market economic system.

During the meeting, party and government leaders from Shaanxi, Gansu, Qinghai, Ningxia, and Xinjiang discussed northwest China's economic situation and issues about its development. Present at the meeting were Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the CPC Central Committee Secretariat; and Fu Quanyou, member of the Central Military Commission and director of the General Logistics Department. Jiang Zemin gave an important speech.

Jiang Zemin stressed that during the process of deepening reform and developing the economy, we must persist in arming members of the whole party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. He said: Striving for unity between emancipating the mind and seeking truth from facts is an important part of Comrade Xiaoping's theory and his consistent thought, and it is an important principle guiding our party in leading reform and construction. All party comrades, especially leading cadres, must earnestly study Comrade Xiaoping's theory and thought, thoroughly comprehend their true spirit, and properly carry them out in all fields.

Jiang Zemin pointed out: On the whole, the present situation is good. While this good situation comes from reform, we must deepen reform in order to maintain and develop this good situation. We should lose no time in speeding up reform because this is the fundamental way to deal with the outstanding economic problems we encounter today. Our reform has now entered a new stage; it must proceed systematically according to plan. We must insist on carrying out those projects we are sure will succeed, and we should continue to observe and test those which we are still not so sure will succeed. We must attach great importance to providing macroeconomic control and regulation over the market so that it can effectively demonstrate its basic role in resource distribution. While this is an important task in building a socialist market economic system, it is also an important aspect in deepening reform.

Jiang Zemin pointed out: We must follow Comrade Xiaoping's instruction that we be firm in leading economic construction as well as in promoting spiritual construction. Throughout the course of reform, opening up, and the modernization drive, we must provide stronger party leadership, intensify socialist spiritual construction, and persist in combating corruption, improving party conduct, and promoting administrative ethics. We must speed up legislative construction to accommodate the needs in deepening reform and developing the economy. To improve the supervisory system, we must exert greater efforts in drawing up and improving various laws and regulations for safeguarding reform and openness and for strengthening macroeconomic management and microeconomic behavior.

In commenting on economic development in northwest China, Jiang Zemin said: Like other parts of the country, enormous changes have taken place in northwest China

since the country embarked on reform and opening up. For various reasons, however, there is still a gap between the development in the eastern and western parts of the country. The Central Committee attaches great importance to this problem and has taken some measures to deal with it. But we must realize that this problem was created over a long period of time and its solution takes time. To solve this problem, we will restructure the system and readjust our policies so that we can create more favorable environment and conditions by which northwest China can gradually narrow its gap with the east. To develop its economy, northwest China must emancipate its mind and seize the opportunity to speed up its development. At the same time it must also seek truth from facts, do what is locally appropriate and what is within its capability, and develop in a speed that yields good results. Northwest China should attach importance to building stronger infrastructures because they are important for economic revitalization. Northwest China should pool its resources in accomplishing several major projects which have overall significance so that the limited financial and material resources can be used in some key projects such as those concerning communications, telecommunications, and water conservancy. Meanwhile, northwest China should continue to strengthen the role of agriculture in the national economy, persist in boosting agricultural production through science and technology, and make great efforts to develop rural enterprises. To gradually narrow the developmental gap between the eastern and western parts of the country, both central and local authorities must demonstrate their initiative. On the basis that northwest China takes the initiative to rely on its own efforts, the state will support northwest China with the necessary policies.

Jiang Zemin said all localities and departments must firmly implement the party's basic lines and policies, achieve a consensus of views, consider the overall national needs, display a high sense of responsibility and discipline, work earnestly, and seize the current opportunity to expedite reform, openness, and the modernization drive.

Principal responsible comrades from the five provinces and regions attending the meeting were Zhang Boxing, Bai Qingcui, Gu Jinchi, Yan Haiwang, Yi Kesheng, Tian Chengping, Huang Huang, Bai Lichen, Song Hanliang, and Tomur Dawamat; and responsible comrades of departments concerned under the Central Committee and the State Council, including Zeng Qinghong, Chen Jinhua, Zeng Peiyan, Wang Zhongyu, He Guanghui, Xiang Huacheng, Guo Zhenqian, and Teng Wensheng; as well as Chen Chao, deputy commander of the Lanzhou Military Region.

#### Wen Jiabao Addresses Meeting

OW1906102293 Beijing XINHUA in English 0956  
GMT 19 Jun 93

[Text] Xian, June 19 (XINHUA)—Wen Jiabao, a senior official of the Communist Party of China (CPC), has

stressed the importance of taking all possible measures to reap a good harvest this year.

Addressing a forum on economic work in northwest China, Wen, an alternate member of the Political Bureau of the CPC Central Committee, said that organizations of the CPC and the government at all levels must strengthen their leadership and take all possible measures to make harvesting and sowing grain crops and field management a success.

He said that efforts should be made to ensure the success in summer harvesting.

Wen, also a member of the Secretariat of the CPC Central Committee, said "the key to stabilizing this year's grain output lies in the autumn grain crops. Therefore, we must do everything possible to do a good job of summer sowing and improve field management so as to lay a sound foundation for a good harvest of grain crops this year," he said.

The forum was held in Xian, the capital of Shaanxi Province. It was attended by leaders of Shaanxi, Gansu and Qinghai Provinces, the Xinjiang Uygur Autonomous Region and the Ningxia Hui Autonomous Region.

Wen also called for more efforts to improve cotton field management and to prevent bollworms in key cotton-growing areas.

He said governments at all levels must make sure that farmers have no difficulty selling wheat and other grain crops to the state this year. Grain production and consumption areas, grain purchasing departments, financial institutions and transport companies must cooperate in purchasing, selling, transporting and storing grain.

"The central authorities have decided not to give any IOU's to farmers for the purchase of their farm and sideline products this year," Wen said.

He told the forum that all localities and departments must implement this decision to the letter and make sure that farmers get cash for their products.

#### Rong Yiren on Opening With Foreign Funds

*OW1906191193 Beijing QIUSHI in Chinese No 10, 16 May 93 pp 2-5*

[Interview with Vice President Rong Yiren by staff reporter Chang Huili; place and date not given: "Rong Yiren Discusses Accelerating the Pace of Opening and Opening Wider to the Outside World by Making Bold Use of Foreign Funds"—first paragraph is introductory]

[Text] Utilizing foreign funds is an "old" issue in China's process of reform and opening up; however, the method of boldly utilizing foreign funds under conditions of a market economy has a new significance. For this reason, our staff reporter recently interviewed Vice President Comrade Rong Yiren. He enthusiastically answered questions posed by the reporter and freely

expressed his views on how to boldly utilize foreign funds to accelerate and widen the process of opening to the outside world.

[Chang Huili] Since Comrade Deng Xiaoping's talks during his inspection tour in southern China and the 14th CPC National Congress, businessmen from more than 70 countries and regions have thronged into China, thus giving rise to the third round of upsurge in investment in China by foreign businessmen in the last 10 years, arousing once more a fiery zeal for the process of opening to the outside world in China. With your profound knowledge and penetrating insight acquired through your leadership in international finance and economic exchange and cooperation programs over the past years, would you please talk about how we should further make better use of foreign capital?

[Rong Yiren] In the present age, no nation's economic construction can be divorced from international economic exchanges or be achieved by pursuing a closed-door policy. In the wake of economic, scientific, and technological development, mutually complementary efforts and ties between nations have become increasingly closer, and international economic cooperation based on the principle of equality and mutual benefit and each helping to supply the other's needs have been strengthened continuously. The implementation by China, a developing country, of the policy of opening to the outside world—including our efforts to develop import and export trade, utilize foreign capital, introduce foreign advanced technology, export labor services, and contract for foreign projects and actively participate in international economic activities—constitutes an important channel to promote China's economic development. With the relatively rapid economic growth in our country, domestic funds can no longer satisfy our investment needs; therefore, shortages of funds have become a major factor restricting our economic development. We must find ways and means to raise funds in the international market. At the same time, to narrow our gap with the economically developed countries, we need to make use of foreign funds to import foreign technology and equipment. For this reason, utilizing foreign funds has become an important part in our process to open to the outside world, and it is indispensable and irreplaceable. Since reform and opening to the outside world, the amount of foreign capital used by China has grown very rapidly from scratch, injecting vitality into its economic construction and social development and producing tangible economic and social results, which are there for all to see and which have also been highly acclaimed internationally. We can roughly sum up the benefits derived from our utilizing foreign funds in several points as follows:

1. It has made up our deficiency in funds for national construction. Over the past 10 years or so, the total amount of foreign funds utilized by China has exceeded \$80 billion, including \$12.7 billion in direct investments by foreign businessmen within a four-year period from 1987 to 1990. This amount, averaging \$3.17 billion a

year, is equivalent to 6 percent of our total imports in the same period. Some key projects that could not be started at first because of a lack of funds, such as the Yizheng Chemical Fiber Company, were smoothly completed and put into operation later through the introduction of foreign funds. Some of these projects are currently playing an active role in our national construction.

2. It has enhanced our import capacity and has introduced advanced foreign production technology foreign methods of operation and management. Some foreign advanced technology and management methods may not be purchasable with capital; however, they are relatively easy to import with investments by foreign businessmen. Many old enterprises in our country have imported new technologies and equipment and improved their operational mechanism and management methods through establishing joint ventures with foreign enterprises.

3. Utilizing foreign funds has also brought about conditions for expanding exports and improving the structure of export commodities. Large amounts of light industrial, textile, and food products made by partly foreign-funded enterprises have been sold abroad through channels provided by the foreign partners, and these have accounted for 93.5 percent of the finished industrial products among the export commodities produced by foreign-invested enterprises, thereby improving the structure of our export commodities.

We should also notice that utilizing foreign funds has also provided employment opportunities, enriched market supply, increased revenues, and brought prosperity to local economies. More than 2.8 million people presently are employed in foreign-invested enterprises, and the number of staff members and workers in enterprises in various localities that are associated with foreign investment is even larger. In 1991, taxes turned into the state by foreign-funded enterprises amounted to 6.8 billion yuan. Consumer products made by foreign-funded enterprises are generally of high-grade quality, thereby enriching market supply and giving an impetus to economic development.

Following the establishment and development of a socialist market economy, we should, while utilizing foreign funds, adapt ourselves to the demands of the new situation arising from reform and opening to the outside world. In my opinion, the 14th CPC National Congress has clearly put forward the call for developing a market economy. This signifies that our country must further accelerate the pace of opening up and opening wider to the outside world, manage our economy in accordance with the law of market economy and international practice, and gradually link ourselves with the international economy. This development trend is irreversible.

The next seven years will be a crucial period in determining whether we are able to realize the strategic objective of quadrupling our gross national product by the year 2000. When compared with some developed and relatively developed nations or regions in the world,

the present extent of our opening up is still relatively small; our progress is also unbalanced and incapable of meeting the needs of economic development strategies. Regionally speaking, coastal provinces and cities are more open, while the vast inland areas still fare very poorly. Industrially speaking, some labor-intensive industries have absorbed more foreign funds, while in cases of capital- and technology-intensive industries, the import of foreign funds is still scanty, and some industries, such as commerce, foreign trade, transportation, finance, and insurance, have just begun to open up. Some parts of our existing economic system—as well as legislation, rules and regulations, and management methods—still fail to meet the requirements of international standards.

To accelerate the pace of opening up and opening wider to the outside world, we must boldly utilize foreign funds. Despite the fact that in recent years we have savored the sweet taste of utilizing foreign funds and that there has been a relatively consistent consensus in awareness throughout the nation, the "leftist" mentality and some fallacious sentiments still fetter people's minds to a very large extent. Because many countries are restructuring their economies, the opportunities are favorable to us. We should further emancipate our minds, change our attitudes and accomplish more in making bold use of foreign funds, and take full advantage of our own favorable situation. We should, on the basis of our existing foundation, widen our scope of utilizing foreign funds, adopt flexible and various means of absorbing foreign funds, constantly improve our social and economic environment for investment, offer better facilities and legal protection for investment and business operations by foreign businessmen, formulate a rational industrial policy and economic distribution policy, provide guidance for the development of foreign-funded industries and for regional development, and continuously extend the field for investment by foreign businessmen.

[Chang] Currently, one viewpoint is that not only has international capital become tight, but more and more countries are also seeking to widen their use of foreign funds, and that we are thus facing a grim challenge in our attempt to make use of foreign funds. What is your comment on this viewpoint?

[Rong] Unlike the eased situation in the 1980's, international demand for funds is greater than supply in the 1990's. The competition for absorption of foreign funds among the world's nations that lack funds is bound to be intense. Against such a major backdrop, not only is China confronted with challenges in the use of foreign funds, the same is also true of other countries in need of funds. However, the need for foreign funds differs from country to country and from region to region. China is classified as a low-income country; its not-too-heavy current debt burden, good capability for repayment and credibility, relatively high domestic savings and economic growth rate, and extremely good development prospects will help maintain its strong, constant demand for foreign funds throughout the 1990's. Under normal

circumstances, conditions determining whether funds will flow smoothly into a country or a region primarily depend on risks, or rather on how good the investment environment will be. Viewed from this perspective, China's prospects for utilizing foreign funds in the 1990's will remain optimistic for the following reasons:

1. China's investment environment will be greatly improved in the 1990's. On the one hand, political and social stability, accelerated economic development, gradual enhancement of people's living standards, deepened reform, opening wider to the outside world, and finalizing the principles for establishing a socialist market economy will all provide China with a relatively fine macroscopic environment for absorbing foreign funds. On the other hand, compared with the 1980's, major improvements to transportation, telecommunications, energy, and urban infrastructure have been made in China's coastal, central, and western regions; investment-related laws are improving day after day; and both work efficiency and services are being gradually improved. These factors will make China's investment environment, such as infrastructure and related laws, much better in the 1990's than in the 1980's.

2. The Asian-Pacific region, particularly the western Pacific, will become one of the world's fastest growing economic development regions in the 1990's, or even in the first half of the 21st century. This region is full of vigorous economic vitality and has tremendous development potential. In the 1990's, Hong Kong and Macao will be returned to the motherland, and economic relations between Taiwan and the mainland will become closer and closer. In addition, the improvement of diplomatic relations between China and the Asian-Pacific region, neighboring countries in particular, will further promote mutual economic and technical exchanges and cooperation. All these factors will make the Asian-Pacific region a major attraction for international funds. China's potential and prospects for economic development in this region will undoubtedly be more attractive to foreign investors.

3. As of now, China has signed more than 80,000 investment agreements, worth over \$90 billion, with foreign businessmen. The amount of foreign funds to be utilized under new agreements signed in 1992 alone reached \$68.5 billion, a 2.5-fold increase over the preceding year. The gradual execution of these agreements in the next few years will sharply increase the real input of foreign funds. Besides, more foreign funds will be absorbed through enlarged capitalization by successful foreign-funded enterprises. One more point worth mentioning is that China has accumulated relatively rich experience in utilizing foreign funds and running well the "three types of foreign-funded enterprises." Good credibility has established, better cooperation has developed with foreign counterparts, and enhanced returns for both sides will also greatly strengthen foreign businessmen's confidence in investing in China.

[Chang] It appears that a new requirement for accelerating the pace of opening wider under market economic conditions calls for utilizing foreign capital more boldly, with fresh insight and broadened horizons. However, in view of the long-time influence of old concepts, we will surely encounter many obstacles. How should we overcome them?

[Rong] As far as China's utilization of foreign funds is concerned, there is much to be desired. For instance, the market is inadequately open, and it overemphasizes product exports made by foreign-funded enterprises; in addition, there are unduly strict restrictions on using foreign funds in certain sectors, thereby affecting the absorption of foreign funds in nonstrategic departments and industries that are unrelated to national security. Also, the presence of a fairly large amount of red tape for screening and approving foreign investments still exists, bureaucracy is widespread, and our standard system for administering imports, taxes, finances, and accounting is still far below international norms and is tinged with relatively strong administrative intervention. If these problems are left unsolved, they will delay and slow the pace of utilizing foreign funds and undermine the scale and efficiency of our efforts. In particular, we have not paid adequate attention to the industrial structure problem in foreign-invested enterprises, and if we fail to earnestly deal with the problem, it will seriously hamper our efforts to utilize foreign funds. Over the past 10 years, there has been an unduly large number of foreign-invested processing industries and nonproductive projects, and there are too many labor-intensive projects, whereas high technology projects are relatively few and small in scale.

There are actually many factors that give rise to these problems, but the main cause lies in our lack of a deeper understanding of the market economy, our lack of perceptual experience and rational knowledge regarding the market economy, our being overly weighed down by conventional thinking and behavior, our insufficient guidance on foreign investment in previous years, and an imperfect investment environment, as well as the influence from the international environment and readjustments to the industrial structure. To solve these problems, we must deepen reform, open wider, improve macro control, streamline administration, delegate power, and raise efficiency. It is necessary to simplify formalities for foreign investment, reinforce the policy of guided foreign investment, guide foreign investment into more extensive fields, and also periodically readjust the guided flow of foreign funds in accordance with the development of our national economy, as well as implement supplementary policies and measures. We must further improve our tangible and intangible investment environments, stress the importance of honoring our promises and commitments, attach importance to keeping our agreements, manage properly the existing foreign-invested enterprises, and help foreign-invested enterprises solve their practical problems.

[Chang] Our country is a developing giant, and our demand for foreign funds is extremely large. We must pay attention to enhancing macroefficiency in utilizing foreign funds by taking into consideration our national conditions and integrating foreign funds with the development of our national economy. In this sense, what areas should we emphasize, and what areas should we target to utilize foreign funds from now on?

[Rong] In the future, China's utilization of foreign funds will focus on absorbing foreign exchange funds, upgrading technology and equipment, and introducing advanced technology and management expertise. In industry, we should encourage foreign businessmen to invest in such "bottleneck" industries as energy, communications, raw and processed materials, and capital and technology-intensive industry; in technical transformations for old enterprises; and in weak links in the tertiary industry. Experiments may be conducted on domestic commercial undertakings and the financial industry in a few selected large cities. In practicing preferential policies, it is necessary to gradually dilute the original regionally oriented policy by paying more attention to the industrial sector. Even the interior should enjoy the same preferential policies accorded to the coastal areas. Besides, we should explore and sum up experiences in such aspects as supporting the "three types of foreign-funded enterprises" to gradually gain practice in the shareholding system and list their shares in the stock exchanges, selecting state-owned enterprises already practicing the shareholding system to enter international financial markets by issuing B-type foreign currency shares overseas, and opening up channels to attract foreign funds.

[Chang] Foreign fund uses have their own operating rules and international norms and practices; could you please elaborate on how the government will respect these characteristics and do a good job in its macroscopic regulation and control?

[Rong] The Chinese Government's macroscopic regulation and control over foreign fund utilization will mainly be demonstrated through guidance and management. The management of foreign fund utilization will be carried out through a perfect legal system and economic means and the application of international practices. The management of executive orders and planned reports will be reduced gradually, or else it will be difficult to attract foreign funds. In utilizing foreign commercial loans, the state should focus on exercising macroscopic regulation and control over such aspects as size, interest rates, and sources of funds; and monitor and supervise, in accordance with international practices, their usage to ensure effectiveness and timely repayment. Besides perfecting legislation designed to attract foreign investments, it is necessary to do a good job in balancing the investment proportion, guiding the source of investment, selecting the investment mode, and linking up invested industries. In short, we need to further rationalize foreign investments to minimize risks; selectively channel in advanced technology and

management expertise to promote old enterprises' technical transformation; and try to secure a direct investment by foreign businessmen, preferably in the capital- and technology-intensive, productive types of industries.

[Chang] Revered Comrade Rong, thank you for granting us this interview amid your hectic schedule. The utilization of foreign funds is a major issue in the market economy which warrants our attention and study. It is our fervent hope that we will be able to better use foreign funds in the great tide of developing a socialist market economy. We believe that your opinions will provide guidance to work relating to utilizing foreign funds in China.

#### Zhu Rongji in Tianjin, Hebei; Views Flood Control

OW1906141993 Beijing XINHUA in English 1351  
GMT 19 Jun 93

[Text] Beijing, June 19 (XINHUA)—Zhu Rongji, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China and vice-premier of the State Council, has emphasized that the more rapidly the economy develops, the more attention officials should pay to flood control measures.

Vice-Premier Zhu made the remark during an inspection tour of the hydrographic net of the Haihe River, near Tianjin in north China, on June 17 and 18.

He stressed that unremitting efforts should be made in flood control and preparations should be made to fight against floods and disasters. He called on leading officials at all levels to take measures to help the country safely ride out the flood season this year.

At the Lugouqiao Key flood-control project, Vice-Premier Zhu inspected a flood-diversion sluice and said that it is imperative to ensure that the sluice gates are easy to open and close during the flood season.

The Beijing section of Yongding River is 170 kilometers in length. The river bed at Lugouqiao is 60.5 meters in elevation, while Tiananmen Square is merely 50 meters in elevation. Work on controlling floods from the Yongding River is very important to Beijing.

In areas formerly flooded by the Yongding River in Langfang city, Hebei Province, Vice-Premier Zhu inspected dykes and urged the local people to take measures to repair the dykes so as to make safe the Beijing-Tianjin Railway, the Beijing-Tanggu Express Highway, and the cities of Tianjin and Langfang.

When inspecting flood-control facilities on the Haihe River near Tianjin, Vice-Premier Zhu said it is necessary to be always on the alert in flood-control work and conscientiously make preparations to prevent floods.

After being briefed on preparations for flood control made by Beijing, Tianjin and Hebei Province, Vice-Premier Zhu said: "Since there have been no big floods in the Haihe River valley for years and rainfall in the area is expected to be heavier than usual this year, we must not lower our guard. We would rather consider the problems more serious and make preparations earlier than slightly lower our guard or become careless."

Accompanying Vice-Premier Zhu on the tour were Chen Junsheng, state councillor and head of the state flood-control headquarters, Niu Maosheng, minister of water resources, and other officials.

#### **Spokesman Details \$10 Billion Bank Fraud Case**

*OW1806145393 Beijing XINHUA in English 1337  
GMT 18 Jun 93*

[Text] Beijing, June 18 (XINHUA)—A spokesman from the Agricultural Bank of China (ABC) said here today that the fraud perpetrated through counterfeit standby letters of credit involving 10 billion U.S. dollars was committed in collaboration by "law-breaking persons from home and abroad" and the bank will "adopt all necessary measures" to protect its interest and legitimate rights.

According to the spokesman, from February to April this year, Francisco Hung Moy, president of United Asia (Group) Corporation registered in New York, and Raymond Lee and Zhao Jinrong, manager of Hengshui sub-central branch of ABC in North China's Hebei Province, illegally entered into agreement and signed promissory notes and other documents.

On March 30, Francisco Hung Moy signed and issued a counterfeited irrevocable and transferable letter of credit in the name of the United National Republic Bank in Russia for an amount of 10 billion U.S. dollars in favor of the Agricultural Bank of China's Hengshui central branch for a period of validity of one year.

This counterfeited standby letter of credit serves Hengshui branch bank as a counter guaranteed by United Asia (Group) Corporation.

On April 1, Zhao Jinrong and deputy section chief of Hengshui branch bank Liu Shuhong illegally issued 200 irrevocable and transferable letters of credit covering a total amount of 10 billion U.S. dollars for a validity period of one year from the issuing date of April 1, 1993.

Through investigation, ABC found that the United National Republic Bank of Russia does not exist—the bank of counter guarantee as provided by Francisco Hung Moy. ABC's Hengshui branch bank does not have an "international finance department" under it, either.

"Obviously, it is a serious case of fraud conducted in collaboration by the law-breaking persons from home and abroad," said the spokesman, stressing that all standby letters of credit issued by them are illegal, null and void.

"The fraud jeopardizes the interests and prestige of our bank. Therefore, we will adopt all necessary measures to protect our legitimate rights and interests," said the spokesman.

ABC issued a statement on Wednesday this week, announcing that all of the transactions made by using the above-mentioned standby letters of credit are null and void and ABC would not accept any responsibility for, or obligations to, any consequences arising therefrom.

#### **State Plans To Establish Import-Export Bank**

*HK2006030593 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 20 Jun 93 p 1*

[Article by Zhu Ling: "State Plans Bank To Help Foreign Trade"]

[text] China is gearing up the process of founding its first import and export bank to serve as a "crane" to lift the country into a "real heavyweight" in international trade. [sentence as published]

The "long overdue" move will greatly lubricate China's export machinery, which is now throttled by the lack of funds, said Tong Zhiguang, Vice-Minister of Foreign Trade and Economic Co-operation.

China's foreign trade is walking "a narrow path" as its exports of machinery and electronics, which are at a low level, hold back the nation's export development, Tong told Business Weekly in an interview last week.

It is high time for the country to establish an import and export bank to facilitate trade expansion.

"We have started wide-ranging preparations for the launching of the bank after many years of consultations," Tong said.

He declined to give a timetable, but said: "I hope the bank will become operational as soon as possible."

The vice-minister, who last month took over the job of preparing for the new bank, has since 1991 been China's chief negotiator on returning to the General Agreement on Tariffs and Trade.

"We are trying very hard to make our first trade bank meet the international standards from the start," Tong said.

Last month, he visited the United States, Canada, Germany and Italy to "study their similar banks and learn the advanced experiences of the trade banks in those countries."

At the same time, China sent another delegation to Japan, South Korea and India for the same purpose.

"I have no doubt that our new bank will grow and develop," Tong said. "But it will take time."

The business of the new bank will include providing import and export credits, export credit insurance and project financing, he said.

The major source of funding will be the State, Tong said, adding "it is likely the bank will float bonds at home and abroad."

"It is a State bank and our principle is to ensure the return of principal with small earnings," he explained.

Trade analysts describe the new banks as a "very smart idea."

"It is extremely timely, as China's trade regime is on the verge of entering a new stage to elbow into the top 10 world trade powers," said one.

China's foreign trade last year totalled \$165.6 billion, ranking 11 in the world. Hong Kong (\$240 billion) is No 10.

Analysts believe that China's staying power in foreign trade is lagging because its exports of capital goods, including large machinery, power plants and automobiles, make up only 1.3 percent of all international machinery and electronics exports.

China's major exports are still consumer goods such as textiles and light industrial products. The country's exports of machinery and electronics (capital goods) stood at only 23 percent of its total in 1992, said Zhou Jiannan, former minister of Machine-Building Industry.

"Our machinery and electronics exports are at a very preliminary stage," he said.

Premier Li Peng early this year stressed that "we must work towards a great increase of our capital goods export" and he pledged strong support and preferential policies.

"Our economy is growing very fast, and this means that the growth rate of our foreign trade must keep pace," Tong said.

If China is to overtake Hong Kong to become one of the top 10 foreign trade powers, its total foreign trade must increase by at least \$70 billion.

"It is a very big job," Tong said. He added that the trade bank will greatly help "modernize the structure of our export products, drastically increasing the ratio of machinery and electronic goods."

The fast expansion of China's exports will be the main channel for ensuring adequate foreign exchange to pay for imports, the vice-minister stressed.

The Chinese Government announced its ambitious trade plan early this year, saying that its overall import and export volume should top \$200 billion by 1995.

The Ministry of Machine-Building Industry earlier vowed to raise exports of machinery and electronics to \$30 billion by 1995 from last year's \$19.5 billion.

"The new trade bank will play a vital role in facilitating the country's trade plans," Tong said. "But we have a long way to go and a lot to prepare."

Trade analysts predict that China's foreign trade will grow faster than the country's gross national product (GNP) in 1993.

They believe that the country's exports will further move up this year, saying that China's development of more natural resources as well as the nation's improved processing ability will help expand its overseas sales.

China was 13th in terms of export volume in the 1991 rankings throughout the world. China's exports in 1992 rose by 18.3 percent over a year ago to \$85 billion.

But a senior government official said earlier that spiraling prices and subsequent higher production costs at home will cast a pall over the nation's export ability.

#### State Circular Promotes Treasury Bond Sales

HK1906042893 Beijing CHINA DAILY in English  
19 Jun 93 p 1

[By staff reporter Li Hong: "State Acts To Boost Bond Sales"]

[Text] The State Council has launched a new drive to encourage people to buy State treasury bonds.

Their sale has been depressed since early this year because of their relatively unattractive interest rate.

To date, only 8.3 billion yuan (\$1.4 billion) out of a total of 30 billion yuan (\$5.19 billion) of this year's State treasury bonds have been sold, according to Yuan Dong, a National Debt Management Department official under the Finance Ministry.

In a nationwide circular made public yesterday, the State Council called upon the country's security brokers, organizations, and individuals to purchase the State bonds "in order to help fund China's urgent infrastructure projects."

The circular noted that many key projects, including highways, railways, airports, energy, telecommunications, and raw materials, which are financed by the government, are in urgent need of funds.

Liu Zhongli, the finance minister, promised to establish more selling berths and smaller denominations of bond notes for the convenience of buyers.

Earlier, the ministry raised the three-year bill's annual interest rate from 10 percent to 12.52 percent, while that for the five-year term rose from 11 percent to 14.06 percent.

These new rates now stand two percentage points higher than the current bank deposit rates, making them more appealing for would-be buyers, officials pointed out.

However, under existing market conditions, when more money has been drawn to the large variety of "short-term" and "high-return" enterprise bonds and corporate stocks, it remains to be seen whether the new initiative will produce immediate results, analysts said.

Yuan, the ministry official, admitted that beginning with the latter half of 1992, China saw a more strenuous security market, and measures to collect idle capital multiplied.

But Yuan said the sale of State treasury bills is important to build key transportation projects, purchase raw materials and maintain this year's budget.

#### **'Stimulation' Fails To Stem Bond Sales 'Slump'**

*HK2006052593 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 20 Jun 93 p 3*

[Article by Ren Kan: "New Rates Fail To Pull Bond Sales Out of Dive"]

[Text] Chinese investors continue to give the cold shoulder to treasury bonds despite rising interest rates.

Only 8.3 billion yuan (\$1.45 billion) in bonds had been sold by the end of May, just 28 percent of the target of 30 billion yuan (\$5.26 billion).

"Sales in some areas did enjoy some stimulation from the higher interest rates, but the rise is not strong enough to reverse the slump across the country," said an official with the Ministry of Finance.

The government last month increased the interest rates for treasury bonds because of poor sales. The annual interest rate for the three-year bond rose from 10 percent to 12.52 percent while the rate for the five-year bond went from 11 percent to 14.06 percent.

The official attributed the sluggish sales to stock fever and higher-yielding corporate bonds, which have drawn off a huge amount of individual capital.

He said high inflation, which in major cities reaches 15.7 percent, has also diminished the attractiveness of treasury bonds.

The poor bond sales have aroused the government's attention because money raised from the bonds will be used mainly for the construction of key State projects and has been included in the 1993 State budget.

In a circular issued by the State Council last week, the central government asked local authorities to adopt all possible measures to improve bond sales.

The circular set a deadline for the issuing of this year's treasury bonds. All bonds must be sold by the end of this month but the expiration date can be extended to mid-July in some regions.

The circular reiterated that no locality is allowed to issue stocks before its allocated quota of State bonds is sold. The country is expected to issue 5 billion yuan (\$877 million) of shares this year.

The official said that to meet the target some local governments have organized purchases of State bonds for enterprises, government institutions and individuals, though the Ministry of Finance favours selling the bonds through market means.

Chinese media including TV, radio and newspapers are also used to promote the sales of bonds.

Finance Minister Liu Zhongli last week made a televised speech in prime time calling on the public to buy more bonds.

To promote sales, a primary dealer, the Beijing-based Stock Exchange Executive Council, will be in charge of selling and trading 2 billion yuan (\$350 million) in State treasury bonds.

The poor sales of treasury bonds this year has prompted the government to consider overhauling the present issuance method.

It is considering adopting an underwriter system and gradually selling the bonds through public bidding, a method commonly practised internationally, according to the official.

The country is also considering issuing one-year treasury bonds next year to enable the country's central bank to better exercise monetary control. By buying and selling on the short term, the central bank can release or tighten the nation's money supply.

#### **Inflation Fears Spur Consumer Purchases**

*HK2006073093 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 20 Jun 93 p 8*

[Article by Xie Songxin: "Rising Prices Spur a Buying Spree"]

[Text] A buying spree that began early this year has almost emptied store shelves of colour television sets, video cassette recorders and other valuable electric appliances.

The shortage of foreign brands and quality products made in China is especially acute because prices have climbed quickly.

"Rising prices can sometimes stimulate buying, as consumers worry that their savings may be eroded by further price hikes," said an analyst with the State Statistics Bureau.

Anxiety over high inflation partly triggered the recent spending spree. The living cost price index in 35 major cities rose 16.7 percent in the first five months this year.

The bureau reported that sales of electric appliances rose sharply in the first five months over the same period in 1992. Production of these commodities also grow quickly.

Retail sales of cameras rose by 16.7 percent; refrigerators by 26.3 percent; washing machines, 17 percent; cassette tape recorders, 7.4 percent; colour TV sets, 8.2 percent; and VCRs, 5.8 percent.

The comparatively slower growth in the sales of colour TV sets and VCRs was caused by their shrinking supplies, especially of imported brands, and by curbs on smuggling. Otherwise, sales would have been better.

The dwindling supply of large-screen TV sets is reflected in quick price rises in some department stores in Beijing. At Chang'an market, a Panasonic 25-inch colour TV set priced at 6,100 yuan (\$1,052) in December cost 6,240 (\$1,076) in January and 6,350 (\$1,095) in February. Stocks have sold out.

The Xidan Market, Wangfujing Department Store and the Urban and Rural Trading Centre reported that prices of imported electric appliances had risen by 5 to 20 percent by February. Prices of colour TV sets had risen by 10 to 15 percent, cameras by 15 percent, and air conditioners by 5 to 10 percent.

Analysts said the buying spree is actually spending that had been postponed from last year. Widespread expectation of China's immediate reentry into the General Agreement on Tariffs and Trade (Gatt) prompted Chinese consumers to anticipate lower tariffs on imported commodities. China now levies high import duties on foreign electric appliances.

But the wait-and-see attitude ended at the beginning of this year when the Chinese press reported that the country's return to Gatt might be put off and that even when it happens prices might not be lower.

Another factor has been the low interest rates for bank savings. Although the government last month raised the interest rates by 1.19 percentage points, consumers believe that the rise was too small and that buying durable goods is a better way to get the most for their money.

In anticipation of continued brisk sales, manufacturers are thinking of expanding production and retailers of stocking up on merchandise. On the other hand, they worry about being stuck with a large inventory if sales wane.

Analysts with the Statistics Bureau predict that sales of electric appliances will not remain brisk and have advised manufacturers to be careful in expanding production.

They said ownership of electric appliances has saturated the market: For every 100 families there are 75 colour TV sets, 83 washing machines, 74 cassette tape recorders, 146 electric fans and 75 refrigerators. These commodities will wear out and need replacing only gradually.

Consumers also will have more avenues for investment. Non-commodity expenditures, such as stocks, bonds, housing, medical and social insurance, are expected to grow.

Analysts forecast that as soon as China becomes a Gatt member, the present buying spree will fade and prices of electric appliances will fall into line with international levels.

#### Economist: Reform Not To Blame for Inflation

*HK2006050093 Hong Kong TA KUNG PAO in Chinese  
18 Jun 93 p 5*

[Report: "Noted Economist Yu Guangyuan Maintains That High Inflation Rate Is Not Caused by Reform"]

[Text] A well-known Chinese economist, Professor Yu Guangyuan, yesterday spoke at a seminar held by the local magazine CHING JI TAO PAO. He pointed out: Insufficient reform rather than reform is to blame for present inflation in China. For example, the prices of steel products and nonferrous metals have gone up since the beginning of the year, with the prices of steel products going up more sharply than those of nonferrous metals. The main reason for this is that futures markets for nonferrous metals have been set up in some big cities. This contributed somewhat to stabilizing the prices of nonferrous metals. The prices of steel products tended to fluctuate for lack of relevant futures markets. Therefore, insufficient reform is directly responsible for the sharp rise in the prices of steel products. In addition, a number of major construction projects on the mainland were launched in accordance with "official will" rather than market needs. Such a practice also resulted in high inflation.

Yu Guangyuan continued: In the second half of 1988, the Beijing authorities relied on improving the economic environment and rectifying the economic order to curb serious inflation. People are now concerned that the authorities will launch the same campaign again. Such a campaign is not likely in the present stage. First, the present situation is quite different from that in 1988. The economic level now is markedly higher than that in 1988 as a result of rapid economic growth over the last few years. Second, there has been a change in the public mentality. For example, there is no panic buying similar to that in 1988. And third, the policy which proved effective in 1988 will not necessarily prove effective today.

Yu Guangyuan said: China is developing a market economy, but some people are disputing whether China should develop a socialist or capitalist market economy.

In fact, since China is practicing a socialist social system, the market economy it is developing must be a socialist one. There is no problem of whether China's market economy is surnamed "capitalist" or "socialist." Similarly, since the United States is practicing a capitalist social system, the market economy it is developing must be a capitalist one rather than a socialist one.

Yu Guangyuan pointed out: China's most serious economic problems at present are price increases and the

plunge of the exchange rate of reminbi. To solve these problems we must start with financial reforms. The present situation shows China's financial reforms are lagging behind its economic development. In some places financial reforms had not even been carried out.

Yu Guangyuan came to Hong Kong for a seven-day visit at the invitation of the Hong Kong CHING JI TAO PAO.

### East Region

#### Jiangsu Holds Mass Trial, Executes 18 'Criminals'

HK2106111393 Hong Kong AFP in English 0946 GMT 21 June 93

[Text] Beijing, June 21 (AFP)—Eighteen criminals were executed earlier this month after being sentenced to death at a mass trial of 39 people in the eastern city of Nanjing, a press report seen here Monday [21 June] said. The condemned men included Jiang Baoquan and Liu Fukeng, found guilty by the intermediary court of the Jiangsu provincial capital of killing two people and seriously injuring three, the June 15 edition of the Jiangsu Legal News said.

Li Xiangrong, Zhang Yilong and Zhang Yibiao were also sentenced to death for armed robbery, the paper said, without naming the rest of those executed. The sentence was carried out after the trial, it said. Of the 39 defendants, 12 were on trial for murder, 20 for armed robbery, five for robbery and two for rape, the paper said, but did not specify all the sentences. Fifteen of the defendants were unemployed or had been previously entangled in the law, while 18 were peasants, it said.

#### Main Body of Jiangsu Broadcasting Tower Completed

OW2006050193 Nanjing Jiangsu People's Radio Network in Mandarin 2300 GMT 18 Jun 93

[From the "News" program]

[Text] A ceremony was held yesterday [18 June] to celebrate the topping-off of the main body of Jiangsu's Nanjing Broadcasting Tower. Vice Governor (Zhang Huaxi) and responsible leaders awarded honorary certificates to 42 individuals who made contributions during the course of construction. They also gave silk banners to six units, including the province's pressure container plant and Sichuan Province's Special Prestress Engineering and Technology Company.

Vice Governor (Zhang Huaxi) said the Sichuan builders' fearlessness in the face of difficulties, their courage in struggle, and their selflessness and sacrifice have left lasting impressions on the people of Jiangsu. He also noted that the broadcasting tower's completion highlighted the friendship and cooperation between Jiangsu and Sichuan. On behalf of the provincial government, he extended thanks to the Sichuan provincial government and conveyed his congratulations to those who contributed to the project. He said he hoped that various sectors will, as always, support the construction of the broadcasting tower in order that the interior and finishing work will be completed smoothly.

Responsible leaders from Sichuan Province made a special trip here to attend the celebration ceremony.

#### Shandong Governor Attends Economic Work Meeting

SK1906094793 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 18 Jun 93

[Text] On 16 June, Provincial Governor Zhao Zhihao chaired a government executive meeting to conscientiously analyze and study the province's current economic situation. He called on all levels and various departments to concentrate energy on grasping the priorities and to successfully carry out this year's economic work in an effort to promote a quicker and better national economic development in the whole province.

The meeting participants believed that since the beginning of this year, our province has witnessed the following basic characteristics in its economic performance: The rural economy has comprehensively developed, and a bumper harvest of summer grains is expected. However, there are still many difficulties in reaping a comprehensive bumper agricultural harvest this year. Industry has increased at a rapid rate, and the efficiency has improved. But there are definite disparities in different areas and different economic sectors. The urban and rural markets has been prosperous and brisk; the consumption level of residents has increased by a large margin; the increase in market commodity prices has been lower than the national average level; the situation in foreign export trade has been quite good; and the utilization of foreign capital has increased by a large margin. However, the rate of earning foreign exchange through export and the rate of establishing three types of foreign-funded enterprises and putting them into production were not high enough. The increase in fixed assets was fairly high, and technological transformation of old enterprises was stressed. But the investment structure was irrational. The savings deposits of residents began to pick up, but the financial revenue was not good. The entire funding situation has remained very strained.

The meeting pointed out: This year is crucial to the national economic development. We should concentrate energy on successfully carrying out the work in the coming three months, namely July, August, and September, so as to lay a foundation for a sound economic development in the whole year. For some time to come, we should pay attention to properly handling the relations in some aspects:

1. We should correctly understand the relationship between guaranteeing and cutting some projects and between guaranteeing and delaying some projects.
2. We should correctly handle the relationship between the scale and structure and between rate and efficiency.
3. We should correctly handle the relationship between the three types of foreign-funded enterprises and various industries.
4. We should correctly handle the relationship between reform and development.

We should accelerate reform and solve the in-depth contradictions in our economic life. It is necessary to advance despite of difficulties, correctly select what is right and discard what is wrong, study methods and measures for solving contradictions and problems, and find a way that can make us achieve development in a quicker and better manner.

The meeting participants studied the province's economic work priorities for some time to come: In agriculture, we should firmly and successfully carry out the three summer tasks and actively develop the diversified economy, accelerate the development of a type of farming that provides high yield of fine quality with maximum efficiency but low consumption. It is imperative to develop market-oriented farming and a type of farming that can create foreign exchange and guarantee that the average per capita income of peasants will be greatly raised this year. In industry, we should focus the work on raising efficiency, deepen enterprise reform, strengthen the internal management of enterprises, accelerate structural readjustment, and upgrade products. In the tertiary industry, we should give different guidance and have both guarantees and controls in some aspects. We should continue to strengthen foreign economic and trade work, try by all possible means to expand exports, accelerate the pace of introducing foreign capital, and optimize the investment structure. All trades and professions should actively conduct activities on increasing production and practicing economy and on increasing revenue and reducing expenditure. Provincial-level departments should take the lead in successfully carrying out this work. Governments at all levels, while doing a good job in economic construction, should pay further attention to building spiritual civilization and administrative honesty, and should take a two-handed approach in work and be tough with both.

### **Shandong To Concentrate on Highway Development**

*SK2006073793 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 19 Jun 93*

[Text] Since reform and opening up, our province has adopted the principle of relying on the efforts of three sectors to make highway construction enter a stage of rapid development. By now, the province's total length of highways of the second grade has accounted for one-seventh of the country's total, and the road surface of high-grade and secondary high-grade has ranked the province second in the whole country. Seventeen cities and prefectures across the province and 134 counties and cities have asphalt roads.

First, we have relied on the support of the governments at all levels. Jiang Chunyun, secretary of the provincial party committee, once gave a directive on highway construction: Communications must be developed in the first place, communications must be unimpeded, and communications must be geared to the needs. Provincial Governor Zhao Zhihao also stressed: When the roads are

unimpeded, money will keep on flowing in. The local governments at all levels have paid attention to highway construction and supported this work in term of action, provided leadership guarantee for the smooth progress of highway construction, and solved the funding shortages.

Second, we have relied on the participation of the masses. Since the Seventh Five-Year Plan period, an excellent situation of building large-scale and high-grade highways and making quicker strides in construction has emerged in our province. Obviously, it is not realistic to rely only on the efforts of the 30,000 highway builders across the province. The masses in all localities have actively supported bridge and road construction as they did in supporting the liberation war. They have fully recognized that building a road means inviting the god of wealth to their places.

Third, we have relied on the selfless and dedicated spirit of the highway builders. Our province's contingent of highway builders is one with a stable ideology and good professional skills, capable of fighting a rigid battle. This contingent has a strong sense of responsibility and mission, the pioneering spirit of daring to overcome difficulties and striving to create the first-grade work, and the selfless and dedicated spirit of making earnest efforts to carry out practical work.

In order to meet the new demands which the province's new economic development strategy has set on highway construction, the provincial communications department has formulated an overall target on continuously upholding the principle of relying on the efforts of three sectors, building a major highway network frame with three highways running from the north to the south, three highways running from the east to the west and one ring road by 1997, and catching up with the ROK by 2010. This target will enable our province's highway construction to enter a new stage.

### **Shanghai Research Institutions Boost Market Economy**

*OW2106041193 Beijing XINHUA in English 0304 GMT 21 Jun 93*

[Text] Shanghai, June 21 (XINHUA)—Institutions specializing in applied science and development in Shanghai, China's leading industrial center, are concentrating on market-oriented subjects to better serve economic development.

According to statistics, Shanghai's 173 institutions specializing in applied science and development earned 2.087 billion yuan last year. Included were 1.61 billion yuan from technical transfers, engineering services and business operations, 3.3 times the government's funding.

The city has more than 500 enterprises run by scientific research institutions. These enterprises sold 1.2 billion yuan worth of goods last year.

A municipal government official in charge of science said that Shanghai has 266 independent research institutions employing tens of thousands of scientific workers.

Before China began its reform of science administration, these institutions used to rely on the government for financial support and undertook scientific research according to decisions of leading departments.

Since 1985 when reform began, the research institutions have developed business operations to finance their work instead of relying on government funding.

Experts believe that the research institutions will develop toward scientific and technical industrial companies.

They agree that Shanghai will form a number of high-tech industrial enterprise groups by the end of the century.

### Central-South Region

#### Guangdong Peasants 'Loot,' Destroy Mine 6-9 Jun

*HK1906082793 Guangzhou YANGCHENG WANBAO  
in Chinese 30 May 93 p 1*

[Exclusive report by staff reporter Chen Xinyu (7115 1800 1342): "Mad Looting of a Mine"]

[Text] To people at the Jintan Branch Mine of the Yingde Sulfuric-Iron Mine, Guangdong, 6 to 9 June were black days. The mine, which had been in operation for decades, lay in ruin after being madly plundered by hundreds of local peasants.

Our country opened the Jintan Branch Mine in 1958 with a total investment of 6.74 million yuan. Over the last 30 years or so the mine produced 2.3 million tonnes of standard coal, an output worth 109 million yuan generating a total profit of 21.05 million yuan. Following the depletion of its ore, the mine was in the process of closing down and removing its equipment this March, when the previously unheard-of catastrophe happened.

Beginning in this March or April, cases of peasants stealing the mine's property had been reported. None of the departments concerned paid close attention to this problem or stopped it in time. From 6 to 9 May, looting of state property by local peasants reached its peak. At least 600 to 700 people living near the mine broke into it, carrying hoes, spades, hammers, and the like and proceeded to rob it of state property, not caring whether it was day or night.

This reporter visited the scene on the 25th and 26th of this month. The mine had suffered untold damage and lay in ruins.

The mine's 35,000 kilowatt high-voltage wire was cut, and water pipes that led to the doors of miners' homes were removed. There was no power or water supply in the entire mining area.

The repair workshop was emptied of mining railway carts and large volumes of steel rail. The nine electric machine tools, too heavy to be carried away, were blown to pieces. The 10-tonne capacity weighing scale in front of the material warehouse was blown up with dynamite, after which it was then removed piece by piece. The peasants also took 225 storage batteries and rechargers from the electric room, and 500 kg electric cable from the electricians' room. The carpenters' room lost its entire contents as well as its roof.

The acidic water treatment system within the mine compound, a key state environmental protection project in 1989 which had absorbed 1.6 million yuan in state investment, was completely destroyed. The water sediment purifying pool and the two-story concrete steel structure attached to it were razed to the ground after more than 10 days of blasting by these hoodlums. All that was left was a pile of broken red bricks staring at this reporter; all the reinforcing beams had been hauled away. The miners, living barely 20 meters away, went through these thunderous days without any personal security. On one occasion an explosion sent a stone through someone's roof.

Nor did the mine's living amenities escape. Incomplete statistics have indicated that workers were robbed of 20 fans, two televisions, and one video-cassette recorder. The loudspeakers, gramophones, microphones, and telephones in the broadcasting studio were cleaned out. Chairs, bowls, chop sticks, and even jars of preserved vegetables were all taken from the mess hall, as were the electric cookers, crockery, stoves, and drain pipes in the kitchen. Things that could not be removed, like refrigerators, cutting blocks, kitchenettes, and boilers, were blown to pieces.

More horrifically, the outlaws extended their dirty hands into Jintan Children's School and kindergarten.

At 0200 on the 7th, someone broke in the school teachers' room through the window and stole 10 office chairs, water heaters, buckets, and so on. On the 8th, the school's 200 kg iron gate was torn loose and removed. All the iron doors and window bars in school offices and classrooms were ripped off. Physics and chemistry laboratory instruments, sports facilities, office appliances, teaching materials, and even the flag and red scarves of the school youth pioneer contingent were all plundered.

There were no iron bars on the classroom windows of the kindergarten; the children's chairs, desks, and toys were all gone.

The school's 166 primary and junior high school students went without classes for many days. Fifty-six small children are still at home today.

During this nightmare, some miners tried to resist, but the mad plunderers proved too powerful for them. A total of eight miners had their heads smashed for showing their indignation after being asked for 200 to 600 yuan in "protection money." These outlaws, who plundered state property in broad daylight, loaded their spoils onto trucks or tractors and lit a string of farewell firecrackers before they took off.

The mad plunder did not end until 9 May. At approximately 1100 that day, the Yingde Public Security Bureau arrived at the scene and things began to be brought under control. At 1500 the same day, Yingde County riot police arrived and managed to calm things down. Police arrested 27 outlaws on the spot who were robbing the mine and impounded two tractors. A special task force from the county public security bureau is still in Jintan Branch Mine investigating the phenomenal plunder.

#### **Report on Lack of Security**

HK1906085093 Guangzhou YANGCHENG WANBAO  
in Chinese 1 Jun 93 p 1

[Continued report" by staff reporter Chen Xinyu (7115 1800 1342): "Could Such Mad Looting Not Be Avoided?"]

[Text] The mad looting has left the Jintan Branch Mine of the Yingde Sulfuric-Iron Mine in ruins and the people there dazed.

During the chaos, people moved their valuables, such as color televisions and refrigerators, to other places. Many miners even sent their entire families to stay with their relatives or friends or simply moved somewhere else. As many as 113 of the mine's 229 workers fled the mine to ensure their own safety. The outlaws' blatant behavior and their threat to "give it to you miners good after the riot police leave" left all the miners fearing for their safety.

Was such a large-scale plunder of state property really unavoidable?

It is understood that security issues were raised when the decision to close the Jintan Mine and pull out the equipment were being made. Beginning on 5 April, the Yingde County Public Security Bureau, the Shigutang Police Substation, whose jurisdiction includes the Jintan Branch Mine, and the Jintan Branch Mine Police Substation posted policemen to keep watch on the mine. Six months later they were all recalled for other assignments, as the police did not have sufficient manpower then. Some outlaws saw the opportunity and abetted villagers in robbing the mine. This quickly developed from petty thievery to more or less open robbery, to massive collective looting.

On 8 May, upon learning of the situation, the Yingde Sulfuric-Iron Mine Police Substation sent six policemen to the Jintan Branch Mine to stop the looting, who joined forces with three other policemen from the branch

mine. Altogether they had eight guns. The villagers, however, did not take them seriously. Some even bragged: "You people only fire into the sky and not at me." The evil desire to loot was in the air and, being unarmed, miners from the Jintan Branch Mine could only watch as the outlaws drove away with truck loads of the mine's property. It was not until the afternoon of the 9th, when the riot police from the Yingde County Public Security Bureau arrived at the scene, that the whole thing died down. Later questions were raised about why officers from the mine police substation did not resort to forceful measures earlier.

Did the Jintan Branch Mine organize the workers to defend the mine? This is a common concern. When the Yingde County Public Security Bureau learned toward the end of March that the Jintan Branch Mine had knowledge that villagers were stealing public property, it suggested to the branch mine authorities on 1 April that they build a mine-defending contingent from among the workers. The suggestion was never adopted. Some believed that a mine-defending contingent could not help much, as workers had to work night shifts all the time. Many night-shift workers, including their family members, had been threatened and blackmailed by outlaws. Miners said that, because the departments concerned had either turned a blind eye to the theft of the mine's property or had released the outlaws almost the day after they arrested them, they dared not meddle in it. Some workers were beaten up but dared not go to the police. Violations of law and lax law enforcement formed a vicious circle, the result of which was hundreds of people publicly looting state property in broad daylight.

Lai Xingfang, Jintan Branch Mine director, admitted that the incident had something to do with the mine's lax internal management. The Yingde Sulfuric-Iron Mine had not paid the workers their wages for two months, nor had Jintan Branch Mine. Workers were deeply anxious and worried about their future when the Jintan party branch secretary was removed along with the union chairman. The mine leadership was left with Lai Xingfang, a "lone commander." Then there was word that he himself had been instructed to work at another mine. On one extreme was a lack of leadership, while on the other the leaders "did not care to fight." Disorganized leadership and chaotic management in Jintan Branch Mine gave the outlaws their opportunity.

After the incident, public security policemen organized searches for the missing loot in neighboring villages and found some reinforcing beams, steel rails, and other items in fishing ponds and ditches covered with new mud. These discoveries accounted for only a very small part of the property plundered, however, and the remainder remains unaccounted for. A few of the peasants that this reporter saw being held at the Yingde Public Security Bureau detention center for participating in the plunder were all approximately 20 years old, and they all were saying: "I am not sure that what we did was breaking the law. Everybody was taking things. I just

joined them." They had been in school for three to five years. These illiterates, semi-illiterates, and law-illiterates have the potential of being a great problem for law and order in the 1990's.

**Guangdong Prices Not Prompting 'Panic Buying'**

*HK2006070093 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 19 Jun 93*

[By reporter Zhang Jingzhong: "Consumers Are Maturing in Terms of Purchasing Behavior in Face of Price Hikes"]

[Text] For many people, the 1988 panic purchase tide remains fresh in their memory. But faced with relatively high price increases this year, consumers seem to react much more calmly and sensibly this time than they did in 1988.

To be sure, it cannot be denied that, amid the current purchase high tide, some consumers are purchasing goods because of their lingering fear of inflation and their belief in the purchase of goods as a means of preserving the value of their wealth. Generally speaking, however, they are purchasing goods selectively. According to Guangzhou city's marketing sector, so far local consumers have been mostly interested in purchase of household electrical appliances, particularly well sold are high-quality name-brand durable consumer goods, such as large color television sets, air conditioners, refrigerators, and high-class hi-fi sets. Despite this, the sales volume of nonname-brand products of these categories is only moderate.

The manager of the household electrical appliance division of Guangzhou Department Store recalled: During the 1988 purchase tide, customers just swarmed into department stores to buy color television sets and refrigerators. They bought whatever was available, regardless of brands. Even those goods with flaws in outward appearance sold. In contrast to this, customers now have comparatively fixed purchase targets in their minds, and they do not rush to buy anything if the goods do not satisfy them.

The deputy managers of Guangzhou's New Triangle Department Store, Liu Yingying and Lao Guanyuan, both agreed that the current purchase tide is substantially different from the 1988 panic purchase.

[Begin recording] [unidentified male speaking in Cantonese] In 1988, people felt that production under the planned economy at that time could not catch up with the growth in demand. Therefore they were more anxious, and they thought they needed to keep more goods in stock. They bought whatever was available. But the case is different now. Today goods are in very ample supply.

[Unidentified female speaking in Mandarin] This year's purchase tide is different from that in 1988, when people bought goods they did not really need. Instead people are

now buying what they need. They do not buy daily necessities, foodstuffs, and such petty commodities as shoes and socks. They do not buy what they do not need. This is absolutely different from the 1988 panic purchase. [end recording]

Meanwhile, as commodity prices keep going up, the consumption pattern of urban residents in Guangdong has not been biased toward shopping. Sample surveys conducted in Guangzhou, Shenzhen, Foshan, and other cities show that the proportions of urban family expenses devoted to interior decoration, installation of telephones, investment in securities, and travelling have increased remarkably. This indicates that the variety of consumers' spending is expanding constantly.

By and large, in face of the changing trend of commodity prices, the consumption mentality of Guangdong people has remained stable, and consumers are becoming more mature in terms of consumption behavior. The reason they are more mature is because, in the first place, in the wake of rapid economic development, urban and rural residents' income has increased. Surveys show that in the first quarter of this year, the average family income in large and medium-sized cities in this province increased by more than 20 percent over the same period last year, an increase which is higher than the increase in the commodity price index. This has in turn increased people's tolerance to the increase in commodity prices. Of course, we should also be aware that some wage earning families in the lower income bracket are living a more difficult life. In the second place, in the wake of the development of the market economy, the public's concept of commodity prices has changed considerably. Guangdong is one of the provinces that took the lead in relaxing commodity price controls. Nowadays, the prices of 90 percent of commodities are subject to market regulation. Most people have got accustomed to and accepted the phenomenon that commodity prices change and fluctuate along with the demand-supply relationship on the market. For this reason, when commodity prices are rising relatively rapidly, people will not blindly precipitate panic purchases.

In light of the above factors, most members of business circles believe that although the current purchase tide will continue for a relatively long time, as viewed from the changing trend of the consumption mentality of most people, it is unlikely that panic buying will take place.

**Shenzhen Registers More Foreign-Funded Firms**

*OW2006043693 Beijing XINHUA in English 0329  
GMT 20 Jun 93*

[Text] Shenzhen, June 20 (XINHUA)—Shenzhen, one of the five special economic zones in China, had endorsed a total of 7,244 foreign-funded enterprises by the end of May, according to the latest statistics available from a city department.

The zone, located in south China's Guangdong Province and bordering on Hong Kong, has always been a main attraction for overseas investors, who are from 30 countries and regions.

Of these foreign-funded firms, 6,255 involve funds from Hong Kong, making up 86 percent of the total number of those registered. Other investors are from Taiwan, the United States, Japan, Singapore, Britain, Thailand and Canada.

In May of this year alone, there were 312 foreign-funded firms registered in the city involving an investment of 452 million U.S. dollars and a registered capital of 335 million U.S. dollars.

Between January and May this year, the city had approved 1,487 foreign-funded firms, approaching the total number of 1,734 registered last year.

### North Region

#### **Inner Mongolia Government Work Report**

*SK1106100693 Hohhot NEIMENGGU RIBAO  
in Chinese 15 May 93 pp 1-3*

[Inner Mongolia government work report delivered by Bu He, then chairman of the Inner Mongolia Autonomous Regional Government, at the first session of the eighth regional people's congress on 5 May]

[Text] Deputies:

On behalf of the autonomous regional people's government, I will now deliver a government work report to this session for its discussion. Members of the autonomous regional committee of the Chinese People's Political Consultative Conference [CPPCC] and other personnel attending this session as observers, please offer your opinions.

#### **1. A Review of the Work of the Past Five Years and 1992**

The past five years were an unusual period. During this period, the autonomous regional people's government, under the leadership of the party Central Committee, the State Council, and the autonomous regional party committee, firmly relied on and led the people of various nationalities across the region to hold high the banner of reform, opening up, unity, and construction; to continue to advance with all-out efforts along the road of building socialism with Chinese characteristics; to oppose and check with a clear-cut stand the turmoil that occurred at the turn of spring and summer in 1989; to conscientiously carry out economic improvement and rectification; to fulfill the various major targets of economic and social development defined at the first session of the seventh autonomous regional people's congress; to win notable achievements in the economy and various social undertakings; and to further consolidate and develop the stable and united political situation. Since last year, in

particular, when we implemented the guidelines of Comrade Deng Xiaoping's important speeches given during his south China inspection and the guidelines of the plenary session of the Political Bureau of the party Central Committee, cadres at all levels and the people of various nationalities in the region have emancipated their minds, put ideas into practice, sped up reform and opening up, and created a new situation in which economic construction was accelerated. In 1992, the region's GNP totaled 37.28 billion yuan, increasing by 11.1 percent over 1991 and by 46.6 percent over 1987, which showed an annual increase of 8 percent, up 0.1 percentage point from the national average for the same period. Its agricultural output value totaled 18.03 billion yuan, up 5.8 percent from 1991 and 48.5 percent from 1987, which showed an annual increase of 8.2 percent, up 3.3 percentage points from the national average for the same period. Its industrial output value was 36.37 billion yuan, 11.3 percent higher than in 1991 and 60.5 percent higher than in 1987, which showed an annual increase of 9.9 percent, down 1 percentage point from the national average for the same period. Its revenues totaled 3.91 billion yuan, up 10.4 percent from 1991 and 100 percent from 1987, which showed an annual increase of 15 percent, 4 percentage points higher than the national average for the same period. In the five years, the autonomous regional government paid particular attention to the following work which played an important role in economic and social development.

A. The foundation for the national economy was continuously strengthened to create a new situation characterized by sustained and fairly fast development in agricultural and animal husbandry production. One of the three short-range goals put forward by the autonomous regional government at the first session of the seventh regional people's congress was to gradually attain self-sufficiency in grain supply while maintaining a coordinated development in farming, forestry, animal husbandry, and industry. To achieve this goal, party committees and governments at all levels always put agricultural and animal husbandry development, especially grain production, above all other economic work in the past five years and adopted a series of major measures to strengthen the fundamental position of agriculture and animal husbandry. First, while stabilizing and improving the household-based output-related contract responsibility system and the dual management system combining unified operation with independent operation, they actively developed the socialized service system in rural and pastoral areas to further protect and boost the enthusiasm of the vast number of peasants and herdsmen. Second, they increased investment in agriculture and animal husbandry continuously. Investment in the capital construction for agriculture and animal husbandry totaled 2.04 billion yuan in the last five years, up 81.4 percent from the preceding five years. Third, they paid close attention to farmland and grassland capital construction focusing on water conservancy facilities. Farmland and grassland where irrigation was guaranteed increased by 470,000 hectares in the last five years,

averaging an annual increase of 90,000 hectares, ranking first among the provinces and regions in the country. Construction of basic dry farmland in mountainous areas was also notably accelerated. Afforestation and other ecological projects developed by leaps and bounds. In the five years, 1.5 million hectares of up-to-standard forests were built, and 1.2 million hectares were preserved.

Fourth, we further strengthened agricultural comprehensive development and the building of commodity grain bases. While making continued efforts to build the existing commodity grain bases, we included four leagues and cities in the eastern part of the region and areas on the southern bank of Huang He to the state agricultural development plan. By 1992, 52 banners and counties across the region had engaged in agricultural development and building commodity grain bases and 247 areas had carried out agricultural projects. Fifth, in the principle of "suiting measures to local conditions and taking disaster prevention measures," we successively built animal husbandry disaster prevention bases in 38 major animal husbandry banners and achieved initial results in this regard. Thanks to the clear work objectives and effective measures formulated by the party committees and governments at all levels and through the joint efforts of the cadres at all levels and the broad masses of peasants and herdsmen across the region, our region achieved breakthroughs in the development of agriculture and animal husbandry over the past five years and enabled its comprehensive production capacity to enter a new stage. We reaped bumper grain harvests in five years running. In 1992, the total grain output topped the target of 10 billion kg for the first time and reached 10.47 billion kg, up 4.4 billion kg, or 72.5 percent, over 1987, increasing at an annual progressive rate of 11.5 percent. The average per-capita grain of the people throughout the region was 476.9 kg. Thus we realized the fighting objective of becoming basically self-sufficient ahead of schedule and ranked third in the whole country in the average per-capita grain of the people. During the 1992 animal husbandry fiscal year, the total number of livestock (including hogs) in the region reached 55.58 million, an increase of 10.028 million, or 22 percent, over 1987, increasing at an annual progressive rate of 4.1 percent. The rate of livestock slaughtered and the commodity rate rose from 26.5 percent and 15.8 percent during the 1987 animal husbandry fiscal year to 34.8 percent and 23.8 percent in the 1992 animal husbandry fiscal year.

During the past five years, governments at all levels regarded the development of township enterprises as the major aspects in readjusting the economic structures in the rural and pastoral areas and accelerating the pace of making peasants and herdsmen become well-off, and enabled township enterprises across the region to rapidly grow at an annual average rate of 30 percent. In 1992, the total output value of township enterprises throughout the region reached 10.28 billion yuan, up 46.2 percent over the previous year, or 270 percent over

1987. The total annual output of the whole region's township enterprises accounted for 41.1 percent of the total social output value of the rural and pastoral areas. The development of township enterprises promoted the economic development of banners and counties. Some leading industries with local distinctive features were being gradually expanded. The work of supporting the poor areas was further strengthened in the rural and pastoral areas and the pace of helping poverty-stricken banners and counties to end poverty and become rich was noticeably accelerated. By the end of 1992, the average per-capita net income of peasants and herdsmen of the 60 poverty-stricken banners and counties supported by our region exceeded 500 yuan and a considerable number of them began to end poverty and become wealthy.

B. We accelerated the pace of readjusting the economic structure and building key projects, and further strengthened the strength and staying power for the whole region's national economic development. During the past five years, we acted in line with the state industrial policy and the regional economic development strategy, actively readjusted the product set-up, and accelerated the pace in building key projects. During the past five years, we invested 6.6 billion yuan in the coal industry. The total construction scale was 58 million tons of coal. The new projects added a production capacity of 19.55 million tons. We invested 4.4 billion yuan in energy industry during the past five years, completed the expansion projects of the No. 1 Baotou Power Plant, the No. 2 Baotou Power Plant, and the Huiliaohe Power Plant, built the Fengzhen Power Plant, the Jungar Power Plant, and the No. 2 Xilinhot Power Plant, and began the construction of Dalad Power Plant and Bohaiwan Power Plant in 1992. During the past five year, the whole region completed 10-kilovolt or higher power transmission and transforming lines with a total length of 190,000 kilometers for agricultural use, enabled all banners and counties to have a power supply, and made 86.2 percent of sumu and townships have a power supply and 84 percent of gacha and villages have a power supply. We successfully completed the building of the three 1 million-ton petroleum extracting, delivering, and refining projects. Thus, we filled the blank in our region's petroleum industry. We invested more than 970 million yuan in highway and communications construction during the past five years, and built 1,117 kilometers of highways. Our region's first local railway—the Jining-Tongliao Railway—began construction in June 1990. We invested 1 billion yuan in this project during the past three years and completed paving 763.1 kilometers of main track. We improved the civil aviation infrastructure facilities. The building of postal and telecommunications projects progressed rapidly in the region. During the past five years, we invested 730 million yuan in this aspect and increased city telephone switchboards with 170,000 lines. Twelve leagues and cities and 78 banners and counties had automatic city telephone switchboards.

While quickening the construction of infrastructures, we reinforced the strength in reorganizations, renovations,

and technical development in line with the center of readjusting the products' mix and increasing economic results. During the five-year period, the entire autonomous region invested 8.77 billion yuan in technical renewal and renovations. Of these investments, 6.1 billion yuan were made by local units. More than 2,000 enterprises were successively renovated to varying degrees. The region also made arrangements for 1,231 projects of developing new products and popularizing new technologies. Thus, the quality of enterprises across the autonomous region as well as the overall quality, grades, and technical contents of products were obviously upgraded.

During the five-year period, the region newly put a large number of key projects into construction by seizing up the opportunity in which the state called for readjusting the structure of industries and developing industries whose products are in short supply. The investment made in fixed assets during the five-year period was more than 463 million yuan that is equal to the total accumulated before the period. The yearly average increase in this regard was 22.9 percent and showed a 7.1 percentage points increase over the national figure scored in the same period in this regard. The region's practical economic strength was obviously enhanced. The region's power output in 1992 reached 22.23 billion kwh, a 75.7 percent increase over 1987, which enabled the region to raise its power output position in the country from 18th in 1987 to 15th in 1992. The region's raw coal output reached 50.387 million tonnes, a 47.8 percent increase over 1987, which enabled the region to raise its coal output position in the country from eighth in 1978 to seventh in 1992. Its steel output reached 3.09 million tonnes, a 42.4 percent increase over 1987, which ranked the region seventh in the country. The output of other major products also showed a large-scale increase. The region's self-sufficient capability in finance was further upgraded. Its self-sufficient rate in finance increased from 53.7 percent in 1987 to 67.8 percent in 1992, showing a 14.1 percentage points increase.

C. We earnestly enforced the strategy of "having science and education make the region prosperous," which poured the new vigor into the program of upgrading the overall level of the national economy. Since 1980's our region always grasped the development of undertakings in science, technology, and education in line with the strategy of economic and social development. In particular, the autonomous regional people's government put forward the strategy of "having science and education make the region prosperous" in 1991. After the strategy was approved at the fourth session of the seventh autonomous regional people's congress, the thought of "science and technology being the first productive force" was deeply and penetratingly imbued in the people's hearts and the program of "having science and education make the region prosperous" was being deeply carried out by various localities and departments in the course of conducting their own work. By 1992, 10 leagues and cities as well as more than 60 banners and counties

across the region successively put forward their strategy of having science and education make league, city, banner, and county prosperous. During the five-year period the region made great and important progress in having science and technology make agriculture, animal husbandry, and industries prosperous by organizing or enforcing the "plan for overcoming the technical difficulties," the "plan for popularizing science and technologies," the "Spark Plan," the "Torch Plan," the "Prairie Plan," and the "Bumper Harvest Plan". It scored important achievements in actively carrying out the multiple researches of natural and social sciences in line with the region's major and important subjects of economic development and in conducting coordinated operation in overcoming the technical difficulties. During the five-year period, units in charge of natural science research scored 1,750 regional level scientific and technological results, a 15.3 percent increase over the total accumulated before the five-year period. Of these results, 25 won the national level awards and 604 won the regional level ones.

Governments at all levels and the entire society attached much importance at educational undertakings. During the five-year period, the financial departments at all levels spent 4.21 billion yuan directly on supporting the development of educational undertakings, a 76.4 percent increase over the total accumulated before the period. The education front further implemented the educational principles of the party and the state by bearing the region's reality in its mind. It adopted a series of realistic and effective measures to deepen the reform in educational systems, to readjust the educational structure, to upgrade the teaching quality, and to improve the living conditions of teachers. It also scored greater achievements in enforcing these measures. Elementary education made a new headway. Primary school education was by and large made universal in 100 banners and counties (districts) of the region, and the enrollment and continuous attendance rates of school-age children and the primary school education universality rate were all up to the national average. Primary and middle schools in the region achieved marked results in eliminating dilapidated houses and providing sufficient classrooms, chairs, and desks to their students, and the central schools in the sumu of pastoral areas by and large became public schools providing lodging and stipends. Secondary education was further restructured, and the development rate of the primary and secondary vocational and technical education was notably quickened. Education of minority nationalities was developed on a priority basis, and the study and use of the written and spoken languages of minority nationalities were strengthened. New progress was made in adult education and higher education after their structures were adjusted, rectified, and optimized. Coordination of science and education with agriculture and animal husbandry was actively promoted in rural and pastoral areas. In the five years, 1.8 million peasants and herdsmen won "green certificates" and managed to master one or two applicable skills.

D. The degree of reform was extended to create a good trend in building the socialist market economy system. In the five years, we persistently made reform dominate the overall situation and be reflected in all work. The autonomous region formulated a series of policies and measures one after another for improving state-owned large and medium-sized enterprises, enlivening circulation and strengthening marketing, stepping up the construction of the socialized service system in rural and pastoral areas, and greatly developing township enterprises, three types of foreign-funded enterprises, and individual and private enterprises in order to deepen reform. After economic improvement and rectification, the region put forward a clear, general idea for greatly cultivating and establishing the socialist market system. With the guidance of Comrade Deng Xiaoping's important speeches given during his south China inspection and the guidelines of the 14th National Party Congress, in particular, we further extended the degree of reform in 1992, pushing the reform in all fields of the region to a new stage of development.

While upholding and improving the contracted managerial responsibility system of industrial enterprises, we conscientiously conducted the reform to change enterprises' operating mechanism in order to improve large and medium-sized enterprises. In 1989, when most of the first-round contracts of state-owned enterprises in the region expired, the second round of contracting was conducted in a timely manner. After 1992, the autonomous regional government conscientiously implemented the "regulations on transforming the operating mechanism of state-owned industrial enterprises" and issued a series of policy measures for enforcing the enterprise law and for streamlining administration and delegating power to lower levels to improve the external environment for enterprise development. Starting with the reform of the personnel, employment, and distribution systems, all localities made active efforts to deepen the reform within enterprises. The autonomous region also delegated to enterprises the power for planning, investment, pricing, and marketing, thus quickening enterprises' steps in entering the market.

In the field of circulation, we further deepened the reform of the circulation system in line with the requirement for cultivating and establishing the socialist market system. On one hand, we greatly promoted the transformation of the operating mechanism of state and cooperative commercial enterprises. By the end of last year, control had been lifted on the management, employment, prices, and distribution of all the commercial and supply and marketing enterprises throughout the region. On the other hand, we greatly stepped up the construction of various types of markets, especially trade fairs. In the five years, we invested 480 million yuan in market construction, of which 340 million yuan was invested in 1992. Fairly large trade fairs numbered 1,285 in the region in 1992, up 23 percent from 1987; and their annual transactions totaled 3.08 billion yuan, 3.2 times those of 1987. Markets for essential elements of production, such as means of production, funds, labor service,

personnel, technology, information, and real estate, were also gradually cultivated and established. During the past five years, noticeable results were achieved in pricing reforms. Under the careful organization of governments at all levels, and with the ample market supply, the market prices were basically stable in the region in three successive years. In 1992, the retail price index rose 6.8 percent over the previous year, which was basically controlled within the target of 6 percent set at the beginning of the year. We witnessed a rapid development in banking work. The banking departments at all levels made outstanding contributions to supporting reform, opening up, and economic construction. In 1992, the savings deposits of various descriptions of the banking organs across the region totalled 29.4 billion yuan, up 30.8 percent from the previous year, or 165 percent from 1987, increasing at an annual progressive rate of 21.5 percent; the total amount of loans of various descriptions reached 42.55 billion yuan, up 22.3 percent from the previous year, or 171 percent from 1987, increasing at an annual progressive rate of 22.1 percent; and the amount of capital flow and inter-lending loans in the region totalled 12.4 billion yuan, up 61 percent from the previous year.

During the past five years, while doing a good job in grasping economic structural reform, we firmly grasped the organizational reform work in line with the guiding ideology of changing functions and improving relations in various economic sectors, streamlined administration, strengthened service, raised efficiency, and achieved noticeable results in conducting organizational reform centering in banners and counties. By the end of last year, 56 banners, counties, cities, and districts across the region conducted organizational reform, and 1,115 administrative organs and institutions were streamlined. Through various methods, 53,000 personnel of administrative organs and institutions gradually disconnected with their organs. In the course of organizational reform, all localities regarded streamlining personnel, developing regional economies, and actively establishing all sorts of economic entities as the main channel for settling surplus personnel; established 1,518 economic entities; and had more than 65 million yuan through increasing revenue and saving expenditures. We smoothly carried out organizational reform experimental work in organs of various leagues and cities and in organs directly under the regional government. At the same time, through streamlining organs and delegating powers, we strengthened macroeconomic regulation and control and strengthened administrative honesty. Governments at all levels achieved new progress in changing functions and improving work style. During the past five years, the Hulun Buir League and Wuhai city experimental zones acted in line with the demand of carrying out experimental work first in an effort to promote the work in the whole region, further conducted reform in various aspects, made many new achievements, and played a demonstrative and guiding role in promoting reform and opening up in the whole region.

E. We actively promoted reform and opening up and enabled various localities in the region to create a situation of opening up to all directions. During the past five years, we regarded expanding the degree of opening up and developing lateral economic cooperation as a breakthrough point in invigorating our region's economy, firmly grasped the opportunity vested by history, upheld the principle of opening to all directions, and unceasingly expanded the degree of opening to the outside world. During the past year, in particular after the implementation of the state strategy of opening up the border areas and the approval of Manzhouli, Erenhot city, and Hohhot city to become open cities, the region formulated an economic development strategy on "using opening up to stimulate the overall situation," and on building "border open belt, economic development belt along railways and natural resources development zone," successively issued a series of preferential policies and measures on delegating powers to the lower levels, expanding the degree of opening up, inviting business and attracting personnel, and enabled the whole region's foreign trade and economic and technological cooperation to enter a new stage of vigorous development. During the past five years, the whole region's import and export volume totalled \$2.8 billion, increasing at an annual progressive rate of 25 percent, up 10.3 percentage point over the total import and export volume of the whole country of the corresponding period; 416 projects using foreign capital were approved and the agreements involved used a total of \$850 million in foreign capital; and the region signed 410 economic and technological cooperation contracts worth a total of \$260 million. Particularly in 1992, unprecedentedly good achievements were made in the whole region's foreign economic relations and trade and in economic and technological cooperation. The total volume of foreign export and import trade reached \$940 million, up 56.7 percent over the best historical record year of 1991, or an increase of 210 percent over 1987; the whole region signed 299 projects on using foreign capital, and the contracted sum reached \$450 million, up 230 percent over the previous year; there were 240 newly registered three types of foreign-funded enterprises which was 1.8 times the total sum before 1991. The number of newly-established enterprises outside the region rose from seven before 1991 to 67. During the past five years, we gave play to the geographical and natural resources advantages, actively developed markets in the neighboring countries, such as the CIS and Mongolia, and succeeded in rapidly developing border trade. In 1992, the total volume of import and export border barter trade reached \$460 million, 9.7 times that of 1987; new breakthroughs were made in developing economic and technological cooperation, contract projects, and export of labor service.

During the past five years, the regional people's government and the governments at all levels actively strengthened the building of infrastructure facilities, actively improved the investment environment, and successively opened 11 ports of the first grade and five ports of the second grade. At the same time, we also adopted various

forms and exerted efforts to develop channels for using foreign capital and spheres for economic and technological cooperation. In 1991, we successfully held the first regional Nadam Fair, organized the "Mongolia trade fair" and the prairie tourist festival, adopted the form of "taking advantage of the cultural and sports activities to carry out economic and trade business," carried out a series of activities, such as exhibitions, sales exhibitions, and economic and trade symposiums, and achieved fruitful results in this regard. During the past five years, we achieved noticeable results in conducting lateral economic cooperation and coordination in the whole region, signed more than 2,000 cooperative items, and introduced more than 2 billion yuan, showing an increase of 100 percent and 200 percent respectively over the previous five years. In short, through five years of work, our region initially formed a new pattern of placing the regional capital of Hohhot city and the two experimental zones of Hulun Buir League and Wuhai in the lead and of opening to all directions, with border open city and ports as the showcases and with the multilayered cooperation and coordination of areas along the border and railways and areas where natural resources were rich and concentrated.

F. We persisted in simultaneously building the "two civilizations," and created a new atmosphere where the economic society was more invigorating. During the past five years, we deeply conducted a region-wide socialist ideological and educational activities centering on upholding the party's basic line and promoting patriotism and collectivism, conducted education on upholding the Marxist national theory and the party's national policy, and on unceasingly strengthening great unity among various nationalities, extensively and deeply carried out activities to commend those who were advanced in promoting national unity and progress, and enabled the people of various nationalities to further strengthen their socialist conviction and to further consolidate and develop a new socialist national relationship of equality, unity and mutual help and a political situation of stability and unity.

All undertakings, including cultural, sports, radio and television, press and publication, family planning and public health, were carried out around the central task of economic construction, played a positive role in the course of reforming themselves, and achieved new progress. In the literary and art field, we upheld the principle of "serving the people and socialism," and the "double-hundred" policy, and created and performed a number of good works and outstanding programs. Good achievements were made in radio, film, and television work. We completed 4,151 kilometers of microwave lines and enabled the region's radio and television coverage rate to reach 75 percent. Thus, we attained the national average level. New progress was made in physical culture and sports. While mass sports activities were launched extensively, athletes in the region won 46 gold medals, 39 silver medals, and 29 bronze medals at international competitions and 271 gold medals, 246

silver medals, and 212 bronze medals at domestic competitions in the past five years, which marked a period when the largest number of medals were won since the founding of the autonomous region. Representing China, the women's soccer team of Hohhot city's school of Mongolian nationality recently won the first prize at the world middle school women's soccer championship. Marked results were achieved in family planning, and the region's population growth was brought under effective control. In 1992, the region's population natural growth was 10.34 per thousand, 1.26 permillage points lower than the national average. The overall childbirth rate of women also dropped by a large margin to a level lower than the mortality rate, ranking among the advanced in the country. Public health witnessed further development, and notable progress was made in building grass-roots public health organizations. Civil affairs, environmental protection, tourism, and religious work all made new headway. The party's policy on intellectuals was further implemented, and a good practice of respecting knowledge and respecting personnel was taking shape gradually throughout the society.

New progress was made in improving socialist democracy and the legal system. The autonomous regional people's government conscientiously implemented the various resolutions of the autonomous regional people's congress and its Standing Committee, voluntarily subjected itself to their supervision, maintained close ties with the autonomous regional CPPCC committee and various democratic parties, and paid attention to soliciting the opinions from various circles when making major policy decisions. In the five years, it handled more than 1,800 suggestions of people's deputies and more than 2,800 motions of CPPCC members; submitted 23 local laws and regulations to the autonomous regional people's congress Standing Committee for its examination and approval; and drew up 66 administrative rules and regulations. The second five-year plan for disseminating laws yielded great results, and people universally enhanced their sense of respect for the legal system. Comprehensive improvement of public security was stepped up, and social stability was safeguarded. In the five years, the units of the Chinese People's Liberation Army stationed in our region, people's armed police forces, and forest police units scored new achievements in revolutionizing, modernizing, and regularizing themselves, national defense education for all the people was further intensified, and new development was won in building national defense reserve forces.

Following the advancement of economic construction and various social undertakings, the material and cultural life of urban and rural people was substantially improved. Peasants and herdsmen by and large had sufficient food and clothing and were marching toward a fairly comfortable life. In 1992, the per-capita net income of the peasants and herdsmen in the region was 719 yuan, up 68.9 percent from the 425.8 yuan of 1987. Peasants' per-capita net income was 672 yuan, up 72.9 percent from the 388.8 yuan of 1987; and herdsmen's

per-capita net income was 1,022 yuan, up 54.3 percent from the 662.5 yuan of 1987. In 1992, urban people's per-capita cost of living income was 1,344.5 yuan, up 80.4 percent from the 745.1 yuan of 1987. The 1992 year-end amount of urban people's savings deposits was 17.91 billion yuan, an increase of 12.83 billion yuan, or 2.5 times, from 1987. Meanwhile, the housing conditions and living facilities for urban people were improved at varying degrees. Urban unemployment rate was 2.7 percent in 1992, down 0.8 percentage points from 1987.

Deputies, the past five years were a period when the people of various nationalities throughout the region adhered to the party's basic line and achieved breakthroughs in reform and opening up, a period when historical changes took shape in economic and social outlook, and a period when fruitful results were achieved in building socialism with Chinese characteristics and instituting the party's system of regional national autonomy.

The past five years could be regarded as another best period of development since the founding of the region. The practice during the past five years made us deeply feel the fact that to boost the economic construction of a border minority nationalities autonomous region like ours and to actually accelerate the pace of socialist modernization, we must firmly and unswervingly persist in the party's basic line, wherein lies the foundation for enabling our reform and opening up to withstand all trials and tribulations and for continuously achieving new results in economic construction. Meanwhile, by persistently proceeding from the reality of the region, and by combining the guidelines of the central authorities with the reality of our region, we must emancipate our minds, be brave in making explorations, be bold in practice, and do our work in a creative way, where lies the key to continuously creating a new situation in the region's economic and social development. Also, we must hold high the banner of unity and construction, extremely cherish and continuously consolidate and develop political stability and unity, and continuously consolidate and strengthen the mass unity among the people of all nationalities in the region. This is the fundamental guarantee for achieving continuous success in our undertakings. All the achievements we have scored result from the correct leadership of the party Central Committee, the State Council, and the regional party committee, from the great support of the regional People's Congress and its Standing Committee, the regional CPPCC committee, and the various democratic parties and people's groups, and from the single mind, pioneering work, and arduous struggle of the people of all nationalities in the region. Here, on behalf of the regional people's government, I would like to express my heartfelt thanks to the workers, peasants, herdsmen, and intellectuals working hard on all fronts of the region, to the commanders and fighters of the PLA, to the cadres, policemen, and armed policemen of public security departments, to the officers and men of the forest police,

to the various democratic parties and nonparty personages, and to all domestic and foreign friends who have supported the various undertakings of the region!

While affirming the achievements, we should also clearly notice that the level of the region's economic development still lags far behind that of developed provinces and municipalities, and some problems which warrant our high attention remain to our work. These problems are: The basic construction of agriculture and animal husbandry remains relatively weak, the circulation of agricultural and livestock products is impeded, the people still find it difficult buying and marketing commodities, the task on readjustment of economic structure remains very heavy, structures of industries, products, and enterprise organizations are not reasonable enough, the situation of poor economic results has not yet thoroughly changed, the proportion of the tertiary industry is obviously on the low side, the restriction factors, such as financial difficulties, fund shortages, and serious shortage of transportation capacity, are still very serious, and functional and management forms and work methods of the government still fail to keep abreast of the demand of building socialist market economic operational mechanism. The above-mentioned problems should be earnestly solved in the future work with a view to further accelerating the region's economic and social development.

## 2. Suggestions on the Government Work During the Foreseeable Future

From now to the end of this century is a critical period to fulfill the second-step strategic goal for the region's modernization. As indicated by Comrade Deng Xiaoping's important speeches made during his south China trip in early 1992 and by the 14th CPC National Congress, China's reform, opening up, and modernization have embarked on the new stage of vigorous development. As demanded by the development of the national situation and by the fulfillment of the region's second-step strategic goal, we must make an appropriate readjustment for the region's Eighth Five-Year Plan and the 10-Year Program adopted at the fourth session of the seventh regional People's Congress in April 1991. In accordance with the resolutions adopted at the sixth (enlarged) plenary session of the fifth regional party committee, during the next five years and until the end of this century, the general goal for the region's economic and social development is to fulfill the fighting goals for the two stages.

In the first stage, from now to the end of the Eighth Five-Year Plan period, we will attain three short-range goals in three years. That is, we will make the region's GNP increase by more than 12 percent a year, strive to quadruple the 1980 GNP five years ahead of schedule, and make the per-capita GNP up to the national average; we will make the per-capita net income of the peasants and herdsmen in the region a little higher than the middle level of the country; and we will make the region's financial self-sufficiency rate surpass 75 percent.

In the second stage from 1996 to 2000, we will devote five years to attain the second-step strategic objective. That is, the region's GNP will increase by more than 15 percent every year to reach a level 7 times greater than that of 1980, and the per-capita GNP will be the same or exceed the national average; the per-capita net income of peasants and herdsmen will reach 1,100 yuan and 1,500 yuan or more, respectively, and the material life of urban people will reach the national average; and finance departments at all levels in the region will by and large achieve self-sufficiency.

To realize the aforementioned goals and tasks, we should pay attention to upholding the following guiding thoughts and work plans when doing specific work for some time in the future.

A. We should emancipate the mind, update concepts, and concentrate efforts on promoting the economy. Taking economic construction as the central task is the core of our adherence to the party's basic line. The practice of reform and opening up has shown that taking economic construction as the central task conforms to the national and regional situations and the people's will. From now on, all our work should be firmly focused on this central task, be geared to its need, and serve it. At present and for some time to come, we should unify the thinking and action of the people of various nationalities across the region in line with the endeavor of attaining the "goals for the two stages" and go all out to realize the second-step strategic objective which will bring prosperity to the region and affluence to the people. This is both a specific manifest of the region's practical work to take economic construction as the central task and a glorious mission entrusted us by history. Experiences proved that we should rely on advanced ideas and correct concepts to guide the economy in order to achieve faster and better development. For this reason, we should let the endeavor of emancipating the mind and changing ideas be manifest in the entire process of the work for attaining the second-step strategic objective. Only in this way can we have more courage, broader ideas, and more methods to carry out practical work, and can we develop economic construction boldly, vigorously, and rapidly. First, we should thoroughly study and understand Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to further emancipate our minds and change ideas. We should enable cadres at all levels and the masses of various nationalities to understand and firmly embrace the following basic viewpoints: the viewpoint of emancipating the mind, seeking truth from facts, and closely integrating the fundamental tenets of Marxism with the reality in the socialist modernization of the country and the region; the viewpoint of adhering to the party's basic line for 100 years without wavering; the viewpoint of seizing the opportunity to push the economy to a new level every few years; the viewpoint of taking the "three advantages" as the basic criterion for judging the merits and demerits of all work; the viewpoint of being competent in building the two civilizations and promoting

both; and the viewpoint of having the courage and ability to learn from the advanced business measures and managerial methods of Western developed countries that reflect the law of modern production. When these viewpoints are enhanced continuously, they will become a tremendous material force for creating a new situation continuously in the region's socialist modernization. Second, we should focus on deepening reform and opening wider to the outside world when further emancipating the mind and changing ideas. According to the requirements for setting up the socialist market economic system, we should foster a strong awareness of reform and opening up. Those successful experiences and good practice that are conducive to the development of the socialist market economy should be inherited, persisted in, and perfected. The ideas, ways of thinking, management systems, organizational setup, and work style that are not conducive to the development of the socialist market economy should boldly be eliminated and reformed. In particular, we should vigorously advocate such new ideas that are suitable to the development of the market economy as the ideas of development, competition, favorable opportunities, efficiency, opening up, legalization, and cooperation; strive to enhance these ideas; and gradually make them become new ideas of the people at the present age. We should persistently coordinate reform with opening up and development; make them promote one another; and promote the development of the national economy along with the orientation of the market economy, the open-up economy, and the modernized economy.

B. We should deepen reform, change mechanisms, and vigorously promote the setup and perfection of the socialist market economic system. The 14th Party Congress set forth that our country's objective for the reform of the economic system is to set up the socialist market economic system. Defining this objective indicates that China has entered a new historical stage of reform. It is of extremely practical and historical significance to further emancipating the mind, developing productive forces, and realizing the socialist modernization. In the past, Inner Mongolia was a region with a larger proportion of mandatory planning and with basic raw material industry as its main industry. Therefore, the market development degree was quite low. The setup of the socialist market economic system has provided the region with an extremely favorable opportunity to bring the region's natural resources into play. Simultaneously, the region is confronted with an unprecedented challenge. So, we should proceed from the region's actual conditions, firmly grasp the favorable opportunities at home and abroad, take on the heavy task for speeding up the pace of reform as defined in the new historical age, and strive to preliminarily form a basic frame of the socialist market economic system by the end of this century.

First, we should set up an ownership system suitable to the level of productive forces in the initial stage of socialism and the market economy. On the basis of

consolidating and developing the ownership system dominated by the public ownership, we should adopt more realistic and effective measures to encourage and support the faster and comprehensive development of the individual and private sectors of the economy and the three types of foreign-funded enterprises and gradually form a new ownership pattern where the public ownership plays a dominant role, and the individual and private sectors of the economy and the foreign-funded economy coexist for a long period of time, make common development, and make equal competition.

Second, we should set up an industrial and commercial operational mechanism suitable to the development of the market economy. We should further implement the "Enterprise Law" and the "regulations on changing the managerial mechanism of state-owned industrial enterprises," timely sum up and popularize the typical experiences in changing the enterprise managerial mechanism, speed up the change of the operational mechanism, carry out the method of separating government functions from enterprise management, push enterprises to markets, and ensure that enterprises will really become producers and operators of commodity production that are independent and responsible for their own profits and losses and capable of self-transformation and self-development. We should positively reform the property system and set up a new-type enterprise system. We should further perfect the contract system, pay attention to assessing the guarantee and increasing the value of state-owned enterprises, strengthen leadership, positively and steadily carry out various forms of shareholding systems, and encourage and support the enterprises owned by various sectors of the economy other than the state to cooperate with and buy stocks of state-owned enterprises. We should gradually set up various economic and management forms suitable to the special characteristics of the region and form a vivid enterprise operational mechanism.

Third, we should establish a socialist, open, and unified market system with comprehensive functions, perfect regulations, and equal competition. We should continue to develop all sort of markets in the principle of opening up the markets before improving them, developing markets before setting norms for them, and giving them support before taking benefits. We should appropriately concentrate financial resources, material resources and manpower on building a number of large-scale, high-grade, highly-efficient and multifunctional farm and sideline product and industrial goods trading markets and wholesale and futures markets in major producing areas and distributing centers, make full use of our region's natural resources and the industrial and product advantages to actively establish special markets, including the markets of agricultural and animal products and of steel products, and the power, coal, chemical industrial, building materials, timber, petroleum, rare earth, and textile fabrics markets. Meanwhile, we should actively develop all sorts of markets of essential production factors, actively run such markets of essential production factors as the property, funding, technology,

labor service, information and real estate markets, gradually establish and perfect the market management laws and regulations, and form a new pattern of big circulation and big markets characterized by diversified forms of economy, circulation channels, open management, and equal competition that links with the domestic and international markets. We should actively accelerate reform of the banking system, gradually establish and improve the banking system with the central banks in the lead and state-owned commercial banks as the main body, and with all sorts of banking organs sharing the work and cooperating with one another, and establish and develop a fair, highly-efficient, open and unified banking market system. It is necessary to expand the distribution and circulation volume of stock and bonds in a planned manner. Large enterprise groups with favorable conditions may organize financial companies, strive to develop stock companies, credit cooperatives in the urban areas, and collective banking organizations in the rural areas, further expand the banking channel, accelerate the development of banking markets, and promote the process of developing diversified and international banking organs and turning specialized banks into enterprises in an effort to collect more funds for developing and building our region. In order to meet the needs of building the socialist market economic system and accelerating economic development, we should further accelerate the pace of reforming the pricing system, establish a pricing mechanism with prices determined by the markets, enable market dealings to be carried out realistically in line with the law of value, the law on supply and demand, and the law on competition, and give full play to the market's basic role in realizing the optimum distribution of resources.

Fourth, we should establish a perfect and unified social security system and make it gradually cover the whole society. It is necessary to establish and improve the unemployment and old-age pension insurance systems in all economic sectors and among all staff and workers, and gradually popularize the old-age pension insurance system in the rural areas. Efforts should be made to reform the existing welfare distribution, labor protection and medical-care systems, establish the new medical-care, injury, disaster, and relief insurance systems, and gradually raise their socialized degree and service level.

Fifth, we should establish a macroeconomic regulation and control system that is sensitive to information, has effective power to promptly regulate and control the economy, and may effectively control the overall economic situation. Establishing a forceful macroeconomic regulation and control system is an important aspect of building the socialist market economic system. In the process of changing functions, governments at all levels should greatly strengthen their functions in macroeconomic regulation and control, and further improve and strengthen their leadership over economic work. To this end, in the government organizational reform, we should standardize and frame the government action in line with the demand of building a socialist market economy,

regard balancing the total supply and demand and optimizing the entire economic structure as the main task, further strengthen the departments dealing with comprehensive economic work, the economic supervision departments, and the social functional management departments, and gradually establish a macroeconomic regulation and control system with comprehensive functions, rational structure, and coordinated circulation, that can promptly regulate the overall supply and demand through economic policies and economic means, and can induce a sound market economic development and a highly-efficient economic performance.

C. We should continue to put agriculture on the first position of various economic work and develop or promote in an overall way the economy in rural and pastoral areas. Agriculture is the foundation of the national economy. To quicken the economic construction, first of all we should improve agriculture and animal husbandry to a new level. The region's population who are engaging in farming and animal husbandry is the majority of the total. The key to having the entire region become better-off lies in having rural and pastoral areas become better-off. The majority of ethnic people across the region are engaging in farming and animal husbandry. Most processing industries in the region are taking farm and animal-by products as their raw materials. Thus, ensuring the sustained and stable development of agriculture and animal husbandry represents not only a matter of the economy but also a matter of politics. It has an extremely important significance on stabilizing the economy and the society, fostering unity among various nationalities, and ensuring market supplies. As for the basic positions of agriculture and animal husbandry, we must firmly foster the concept of continuously enhancing them and refrain from wavering or weakening our will in them at any time and under any circumstance. It is imperative to attach great importance on the leadership over agriculture and animal husbandry, to further strengthen it, and to refrain from being slack in it at any time and under any circumstance. In the coming eight years the entire region should regard as an important and great strategic target the programs of developing agriculture and animal husbandry with high yield, fine quality, and high benefits; having peasants become better-off within the given date; and encouraging herdsmen to take the lead in becoming better-off. It should mobilize and organize all social forces to ensure the fulfillment of the target.

We should earnestly implement the party's principles and policies for rural and pastoral areas, deepen the reform in these areas, and further bring into play the enthusiasm of peasants and herdsmen. Efforts should be made to uphold or improve the responsibility systems with the household contracting system linked to their output as a main content and the centralized and decentralized management system with the combination between centralized management and decentralized one. We should actively develop the socialized service systems of various forms in rural and pastoral areas and

gradually reinforce the practical strength of the collective economy. We should regard as an emphasis of the economic construction in the entire region the programs of vigorously enhancing the farmland and grassland capital construction with water conservancy works as central tasks and of improving the living conditions of peasants and herdsmen. We should also give preferential guarantee to project arrangements, investments, and material supply for these programs. The financial departments at all levels should ensure the stable increase of investments made in building the infrastructures of agriculture and animal husbandry. They should also mobilize or encourage the broad masses of peasants and herdsmen as well as forces in various social circles to increase their investment in agriculture and animal husbandry and fully play their main-part role in making agriculture and animal husbandry prosperous. We should further implement the overall arrangement and various preferential policies formulated by the autonomous regional party committee and people's government with regard to enhancing the construction of pastoral areas. Efforts should be made to formulate as soon as possible the region's unified plan for animal husbandry so as to have the economy and society in pastoral areas achieve greater development. We should also enhance the construction of leading bodies at township (sumu) and village (gacha) levels. Efforts should be made to adopt strong and effective measures to protect the interests of peasants and herdsmen. We should further conduct reform in the systems of commodity circulation in rural and pastoral areas and establish or improve the system of farm and animal-by products reservation. We should also enforce the protection prices among important farm and animal-by products and the highest price limitation among the important means of agricultural and animal husbandry production. Resolute measures should be adopted for dealing with the problems of overly heavy burdens undertaken by peasants and herdsmen. We should strictly bring the rational burdens of peasants and herdsmen under the 5-percent standard of per peasant and herdsman net income in 1992 for a longer period in the future. Hereafter, government at any level and any department that have violated the provisions and collected or apportioned expenses from or to peasants and herdsmen arbitrarily should be resolutely checked and be investigated and handled earnestly.

We should allocate natural resources for agriculture and animal husbandry in line with the center of increasing economic results and by regarding markets as a guiding direction. We should also carry out combination among the tasks of planting, raising, and processing; among agriculture, industry, and commerce; between domestic and foreign trades; and among agriculture, science, and education. Efforts should be made to build agriculture and animal husbandry into commodity ones and to follow the road of high yield, fine quality, and high benefits. First, we should adopt an attitude of actively

being responsible toward agriculture and animal husbandry and lead peasants and herdsmen to enter markets. We should guide peasants and herdsmen to restructure farming and animal husbandry in line with specific local conditions and to actively develop diverse production on the premise that grain production and the number of livestock are stabilized. In the near future, in farming, we should emphasize the construction of fine-quality soybean, corn, and paddy rice production bases in the Lingnan area of Hulun Buir League, Hinggan League, and Jirem League and the construction of fine-quality wheat and cash crop production bases in the Hetao area, Tumochuan, the areas along Huang He in Ih Ju League, and other localities where conditions are suitable, and we should attach importance to the capital construction for dry land farming and the production of the grains other than wheat and rice. In animal husbandry, we should emphasize the construction of fine wool and semi-fine wool sheep, beef cattle, meat goat, and good-quality white wool goat production bases. We should greatly promote the processing of farm and animal products and actively develop brand-name, good-quality, and special products. Second, we should conscientiously improve service in various fields. 1) We should improve information service, provide to peasants and herdsmen in a timely manner the information on market demand and development trend, and guide peasants and herdsmen to organize production in line with market demand. 2) We should improve purchasing and marketing service and build specialized and wholesale markets particularly for means of production and farm and animal products while improving the country fairs in rural and pastoral areas so as to make the production, exchange, transportation, and marketing of peasants and herdsmen more convenient. 3) We should improve scientific and technical service, establish scientific and technological networks, continue to greatly disseminate the various applicable techniques for increasing production, and make a greater part of the increase in agricultural and animal husbandry production attributed to science and technology.

Township enterprises are not only the pillar of the economic development in rural and pastoral areas but also an important growing point whose development helps narrow the difference between urban and rural areas, helps banners and counties achieve financial self-sufficiency, and helps increase the overall economic strength of the region. Governments at all levels should regard great development of township enterprises as the strategic priority of economic work. Firmly seizing the opportunity that the state's township enterprise development strategy is being pushed westward and the opportunity provided by the development of the market economy, starting with the exploitation and processing of the abundant resources of various localities, and relying on scientific and technological progress, governments should have the courage to adopt various ownerships and various systems to develop the township enterprises of various trades so as to gradually expand the economic strength of banners and counties. They

should strive for new progress in supporting backward areas to development township enterprises by encouraging urban areas to lead rural areas and designating units to support selected units. Localities where the development foundation is fairly good should focus on improvement, accelerate technical transformation and the adjustment of production structure and product mix, and strive to upgrade their standing, quality, scale, and efficiency. We should actively experiment with the shareholding system in township enterprises and organize the masses to raise funds through various measures to buy shares.

Helping poor areas to shake off poverty and achieve prosperity is the key for rural and pastoral areas to achieve a fairly comfortable life and is also the difficulty. We should comprehensively carry out the managerial plans and construction of the areas where aid-the-poor projects are implemented and gradually enable poor areas to have more vitality in economic development through such measures as relaxing policies, bringing in personnel, increasing investment, and improving living conditions. We should attach great importance to the power supply, postal service, and road transportation of pastoral and remote areas. We should continue the method for the departments directly under the autonomous region and various leagues and cities to render support to relevant units, arrange, according to established priorities, a number of scientific and technological development projects that can yield high efficiency, the projects to process local resources, and construction projects as a form of relief fund, and strive to fundamentally change the backward outlook of poor areas in two to three years.

D. Starting with the transformation of resources, we should accelerate the region's modernization program. In the next eight years, we should rely on the more powerful leading industries and the more substantial pillar industries to sustain and promote a highly efficient and speedy economic development of the region. To this end, we should promote, in a well-planned and step-by-step manner, the industrial development under the guidance of trade distribution, in line with the principle of distributing natural resources according to market demands, and in the light of the thinking of vigorously developing leading industries, continuing to strengthen pillar industries, and positively cultivating new industries so as to pioneer a road with the region's characteristics through which natural resources are turned into economic advantages.

We should firmly attend to the development of such two major guiding industries as the coal and power industries to speed up the process of commercializing coal, power, and petroleum products and sending these products to markets. We should continue to expand the scale of the coal mining industry and give priority to the development of the power industry on the basis of maintaining the reserve strength for development. We should advocate the method of developing the power industry with coal resources and the method of developing the coal

resources with power resources so as to promote the on-the-spot transformation of coal and to speed up the development of the coal industry through the construction of the power industry. We should further adopt various preferential policies to encourage the investors at home and abroad to run cooperatively-funded, independently-funded, and cooperative power industrial enterprises. By 2000, the region should strive to turn out 140 million tons of coal, attain 20 million kilowatt power installed capacity, transmit 60.5 billion kilowatt hours of electricity to other places, and become the largest commodity power base in north China. We should further speed up the development of petroleum. By 2000, the region should strive to have their petroleum mining and processing capacities respectively reach 3 million tons and 2.5 million tons.

We should continue to vigorously strengthen the development of such pillar industries as the farm and livestock product processing, iron and steel, nonferrous metal, chemical industrial, building materials, and forest industries to ensure that these industries will make a new stride in their production capacity and economic results. We should take markets as an orientation to positively make structural readjustment and try every possible means to improve the scale, the quality, and the efficiency. By 2000, we should increase, by a big margin, the output of steel, iron, aluminum, gold, cement, and other raw materials; and build the region into a key raw material base in the country as well as an international and domestic large raw material market.

At the time of continuing to develop the traditional processing industry, we should positively develop such newly developed high-tech chemical industrial industries as machinery, electronics, rare earth, kaolin, vehicle, coal, pyrites, saline-alkali, biological, and petroleum industries and cultivate new powerful reserve forces to promote the rapid development of the region's economy. In the course of running traditional industries and developing new industries, we should pay full attention to bringing into play the functions of existing state-owned large and medium-sized enterprises; continue to carry out preferential policies in the aspects of financial resources, material resources, and skilled persons; and make state-owned large and medium-sized enterprises really become, as soon as possible, the main force to pioneer, occupy, and guide the markets.

E. We should make structural readjustment, increase efficiency, and ensure the faster and better economic development. Taking the improvement of economic results as the central link, positively making structural readjustment, and ceaselessly improving the quality of products is the key to elevate the region's overall economic strength to a new high. Now and in the foreseeable future, we should put the readjustment and optimization of the industrial structure in a prominent position, strengthen the extent of readjustment, and gradually ensure the reasonable distribution of various natural resources and the coordinate development of various industries. In readjusting the industrial structure, we

should persist in the principle of paying equal attention to both light and heavy industries and both the readjustment of increased volume and that of the stored volume and adopt realistic and effective measures to optimize the structure and increase the economic results. On one hand, we should continue to exert efforts to develop the intensive processing of such raw materials as steel, aluminum, and coal; on the other hand, we should regard such light industries with the advantages of developing the region's natural resources as the wool spinning, leather, and food industries as the key breakthrough points in readjusting the industrial structure. At the time of conducting the technological transformation among the existing enterprises, we should extensively collect funds to develop a group of small and medium-sized light industrial enterprises with technologically high starting points, more industries involved, products of high added value, and powerful competitiveness and increase, in a step-by-step manner, the quality and economic results of the region's industries. In readjusting the increased volume, we must ensure the scheduled completion of the key and large and medium-sized projects listed in the plans of the state and the region. In readjusting the stored volume, we should lay emphasis on importing advanced technology, renovating traditional industries, and organizing and building enterprise groups. We should increase the dynamics of the investment in technological progress of existing enterprises, speed up the pace of technological transformation, and make great efforts to improve the technological and equipment level, the general quality, and economic efficiency of existing industrial enterprises. With the brand-name, fine-quality, special, and new products as the head, we should organize and build a number of large enterprise groups. Because the region's tertiary industry is small in proportion, low in level, and great in potential, we must in the future develop the tertiary industry by regarding it as a major industry. Through the principle of using the funds of the state, collectives, individuals, and foreigners, we should give priority to developing transportation and telecommunications trades which are the "bottlenecks" hampering the development of the national economy. We should strive to start and complete the construction ahead of schedule the Liangyi, Chifeng-Datong, and Jungar-Datong railways and accelerate the renovation and construction of the Baotou-Lanzhou and the Harbin-Manzhouli double-track railways. We should attend to the pre-phase work for building such main highways as the state road no. 110—the section from Baotou to Jining (Laoyemiao), the state road no. 301—the section from Yakeshi to Manzhouli, and the state road no. 109—the section from Dongsheng to Dafanpu and should strive to start and complete the construction of these highways ahead of schedule. We should attach importance to the development of the civil aviation undertakings, continue to firmly grasp the construction of Ulanhot, Tongliao, and Hailar airports, accelerate the pre-phase work for building Manzhouli Airport, and speed up the construction of the digital transmission and program-controlled exchange communications networks inside and outside

the region. We should vigorously develop and improve all sorts of service trade that are closely related to the people's livelihood. We should develop the tertiary industry towards the orientation of modernization, socialization, and industrialization. By 2000, the ratio among the primary, secondary, and tertiary industries should be readjusted from 33.9:40.8:25.3 in 1992 to about 20:45:35. By readjusting industrial and product structures, on the basis of improving the efficiency of the microeconomy, we should strive to push the general quality of the region's national economy in order to ensure that economic development will embark on a favorable cycle of rapid and successful development.

F. We should realistically and practically build the "two belts and one zone" in a step-by-step manner, with emphasis on key areas. In the next eight years, in line with the development strategy, defined by the regional party committee, of pulling the whole situation with reform and building the "two belts and one zone," we should depend on the advantages of various fields and on the existing foundations to positively make progress and boldly pioneer undertakings to make new breakthroughs in the following two aspects, while successfully grasping the construction of various projects.

First, we should make new breakthroughs in the field of further expanding the scale of opening up. We should further accelerate the development of world markets. We should continuously and positively expand the export trade with Europe, the United States, Japan, Hong Kong and Macao. We should make the best possible use of the region's geological advantages to emphatically develop the economic relations, trade, and diverse forms of economic and technological cooperation with the CIS, Mongolia, east Europe, and border countries. We should vigorously develop the lateral economic integrations, go out of the country via coastal and neighboring provinces and regions, and strive to open up markets in southeast Asia, central Asia, and west Asia in order to occupy even more quotas on these world markets. At the same time, we should energetically develop the export-oriented economy, strengthen the building of bases opened to the outside world, and realize the strategic upgrading of opening up. We should gradually build Hohhot, Baotou, Manzhouli, and Erenhot into regional trade cities that link domestic markets with world markets. We should further strengthen the building of infrastructure of various ports, give full play to the role as the window of opening to the outside world, and help develop the border areas to border opening belt. We should actively introduce foreign capital, accelerate the development of export-oriented economy, adopt various measures to build and renovate a number of export-oriented enterprises, and raise the proportion of our region's export-oriented economy in the entire national economy. In short, with the efforts of various sectors, we should strive to make our region's total volume of foreign import and export trade increase at an annual average progressive rate of more than 30 percent in the next eight years and

gradually build our region into an important base for exports and earning foreign exchange in the northern frontier of the motherland.

Second, we should achieve a new breakthrough in the regional economy with different distinctive features and strong points. Our region has a vast territory and obvious difference in the geographic positions, natural conditions, economic orientation, and historical development of the eastern, central, and western parts of the region that link with the "northeast, northwest and north China regions." Developing regional economy with local distinctive features in these three areas in line with their geographical and natural resources characteristics is not only an objective demand of building the socialist market economy but it also plays an important role in promoting economic invigoration in the whole region. Our initiative plan is that in the next eight years, we should act in line with the general idea of "achieving breakthroughs in the central part and opening up the two wings to bring along the work in the whole region," and accelerate economic construction in all areas in a planned, purposeful and step-by-step manner. The Hohhot-Baotou-Dongsheng triangular area and its outer areas are generally located in our region's central part with the dual advantages of being located along the railway development belt and areas where natural resources are rich and concentrated. We should properly concentrate financial, material and human resources on accelerating the development and construction in these areas, enable the central part of the region to take the lead in making economic breakthroughs and to become the state's important energy and material base and a demonstrative zone of building the socialist market economic new pattern and realizing the objective of becoming well-off. Areas on the eastern and western wings of the region have great development potential and prospects, occupying an important position in the regional economic construction. We should give full play to our advantage of being located along the border open belt and the railway development belt and our advantage of having rich natural resources and many neighboring provinces and regions, actively develop border trade, vigorously run precision and intensive processing industries with local characteristics, accelerate the building of border areas, and strive to build a group of leading industries which have local distinctive features and are in conformity with the region's integrated development strategy in three to five years. It is necessary to further strengthen coordination and cooperation with the two major economic zones in the northeast and northwest, and rapidly connect with the regional market as well as the domestic and international markets in an effort to bring along an economic leap in our region. We should continue to uphold the special policies, successfully run the two reform and open experimental zones of Hulun Buir League and Wuhai city, and further strengthen their demonstrative role and influence. Along with the formation and development of the eastern, central and western regional economic areas, tremendous effect of concentration and diffusion will surely produce. We should

further optimize the regional layout, raise the integrated economic efficiency, unceasingly create a new situation in building "two belts and one area," and enable the whole region's economic and social development to rapidly enter a new stage.

G. We should accelerate scientific and technological progress and develop educational undertakings and enable the national economy to change from extensive management to intensive management. We should further deepen reform of the scientific, technological and educational systems, actively combine science, technology, and education with the economy in line with the need of building the socialist market economic system, and form a new mechanism for developing the region through science and education with education as the foundation and scientific policymaking, scientific and technological progress, and scientific management as the main tasks. We should give prominence to translating scientific and technological achievements into practical production forces. We should guide scientific research institutes and scientific and technological personnel to enter the main battlefield of economic construction. With market as the guidance, we should draw up and carry out various plans for scientific and technological development, and regard the enhancement of the proportion of scientific and technological progress factors in the economic growth as the starting point and the ending point of the region's scientific and technological work. Rewards should be given to those scientific and technological personnel who have made outstanding contributions, and handsome rewards should be given to those who have made great contributions. To invigorate the region through science and education, the foundation lies in education. We should continue to put the development of educational undertakings in a strategic position, increase the dynamics of the educational reform, and even more closely combine education with the economy.

Governments at all levels should conscientiously implement the guidelines of the "National Programs for Educational Reform and Development," and should make great effort to ensure the "two increases" in educational input, namely, making the increase in the educational appropriations by local governments higher than the increase in the regular revenues of financial departments, and gradually increasing the average educational expenses for the students attending school. We should adopt effective measures to vigorously strengthen basic education, with focus on popularizing compulsory education, in order to actually improve the scientific and cultural expertise of the vast numbers of laborers. We should actively develop vocational and adult education each having its own characteristics in order to enable all the graduates of junior and senior middle schools, who fail to enter schools of higher grades, to receive certain vocational and technical training and in order to provide all laborers, who have or do not have jobs, with opportunity to receive pre-service or in-service training. In line with the demand of economic construction at present

and during the foreseeable future, higher learning institutions and secondary specialized schools should further optimize their structures of levels, subjects and courses, and specialities, vigorously develop the education on professional training, the applied subjects, and the specialties urgently needed by the region, and make great efforts to improve the quality of teaching and the efficiency of running schools in order to train and transmit even more qualified specialized talents for economic construction and lay a solid foundation for the even greater development and enhancement in the next century. By accelerating scientific and technological progress and developing educational undertakings, we should actually orient economic construction to the orbit of depending on scientific and technological progress, improving the quality of laborers, and accelerating the pace of making the national economy change from extensive management to intensive management.

H. We should conscientiously implement the party's nationalities policies and push the undertakings of national unity and progress to a new stage. The national unity and progress undertakings are an important component part of the cause of building socialism with Chinese characteristics. Pushing the region's national unity and progress undertakings to a new stage during the new historical period is not only an important fighting goal for economic and social development but also the most important thing in the political and economic activities of the people throughout the region. During the process of attaining the second-step strategic goal, we must continuously create a new situation in the region's nationality work under the guidance of the party's basic line in order to make new and even greater contributions to building a united, prosperous, civilized, and progressive Inner Mongolia.

Strengthening the mass unity among the people of all nationalities is the most important prerequisite to promote the national unity and progress undertakings as well as the basic guarantee for achieving success in the region's socialist modernization. Governments at all levels should regard the consolidation and strengthening of the unity among all nationalities as an important duty they should perform, and should attend to the ideological, educational, organization, and mobilization work in an extensive and penetrating manner. We should regularize, systemize, and institutionalize the education on the Marxist theory on nationalities in order to make the Marxist outlook on nationalities strike root in the hearts of the people and lay a solid ideological foundation for continuously strengthening the mass unity among all nationalities. The mass unity among all nationalities in the region has a long history and a glorious tradition. In the revolutionary course over the past decades, under the leadership of the party, the people of various nationalities in the region did not hesitate to shed blood and sweat and dedicated themselves to realizing the reunification and liberation of the motherland and persisting in the communist ideals and belief. Today, this kind of common ideals and belief is still the cornerstone of the

unity between the people of various nationalities across the region as well as the motivation to build the region. In line with reality, we should continue to vigorously advocate the social ethics of cherishing the motherland, the people, and socialism; conduct the education on patriotism, communism, and the party's policy toward nationalities among the vast number of ht people, and ceaselessly unite with the people of various nationalities to build socialism with Chinese characteristics. We should educate the cadres and people of various nationalities to trust, emulate, help, and respect one another in the aspects of languages, characters, and customs so as to cooperatively safeguard the reunification of the country and the unity of various nationalities.

Under the new historical conditions, the key to developing the cause of unity between various nationalities and the cause of national progress is to speed up the economic construction in the areas inhabited by the minority nationalities and to promote the common prosperity of the nationalities. In carrying out the work toward nationalities, the governments at various levels should persistently take the economic construction as a key link and organize the forces on all fronts to implement the region's economic and social development strategy. Simultaneously, we should adopt increasingly more preferential policies to help the areas inhabited by the minority nationalities and the areas where the people of minority nationalities are living scattered speed up the pace of economic and cultural development. We should put the focus of the work toward minority nationalities on the 18 border banners and cities, three autonomous banners, 18 townships of minority nationalities, and the areas where the people of minority nationalities are densely distributed; give them extremely greater economic management rights; and give special considerations to them in regard to capital input, tax revenues, loans, and examinations and approvals of projects. The regional departments concerned, banners, and cities should put the issue on the economic development of the banners, counties, and cities where the minority nationalities are densely lived into their work agenda; help solve their practical problems one after another; and strive to make big headway in this regard in the next few years. We should work out a plan to support the poverty-stricken areas where the people of minority nationalities are concentrated and strive to have them extricate themselves from poverty within fixed time. As for the people of minority nationalities who are living scattered, particularly the peasants, herdsmen, and hunters who have not yet been extricated from poverty, the governments at various levels should adopt effective measures to realistically help solve their production and living problems and to help them enhance the ability in self-development and turn poverty into wealth. We should continue to put the development of education, public health, and cultural undertakings for minority nationalities in the primary important position and strive to greatly upgrade the minority nationalities' scientific and cultural level and health conditions.

We should continue to persist in and perfect the regional national autonomy system, conscientiously implement the law of regional national autonomy, safeguard and guarantee the legal rights and interests of the minority nationalities, and further consolidate and develop the relationship through which the people of various nationalities are equal and unite with and assist one another. We should regard the cultivation and use of minority cadres as a great strategic matter and adopt various effective measures to cultivate cadres at various levels, various kinds of specialized talents, and technicians from among the local people of minority nationalities. Now and in the foreseeable future, we should exert great efforts to cultivate a large number of outstanding young and middle-aged cadres of various nationalities spanning this century and the next; arrange, in a well-planned manner, them to dedicate themselves to the main battle of economic construction; accumulate experiences and enhance ability in the course of practice; and have them play a key role in promoting the region's national unity and progress.

I. We should grasp the building of material civilization with one hand and the building of spiritual civilizations with the other hand and safeguard the smooth progress of reform, opening up, and the modernization drive. Under the new situation of building the socialist market economic system, it is imperative to unceasingly strengthen ideological and political education and to relatively raise the building of spiritual civilization to a new level. Continued efforts should be made to conscientiously publicize the guidelines of the 14th party congress, extensively and deeply conduct education on Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and on the party's basic line, and unify the ideology and action of the people of various nationalities across the region with the fighting orientations and strategic objectives set by the central authorities and our region. It is necessary to extensively conduct education on patriotism, collectivism, and socialism, and the education on modern history, contemporary history, and the outstanding cultural traditions of the Chinese nation among the people of various nationalities throughout the region, particularly among the young people, and foster a correct ideal, conviction, outlook on life, and the concept of value among them. We should also conduct education on the pioneering spirit and on opposing money worshipping, egoism, and pleasure-seeking in the whole region, specially among cadres at all levels, and enable the spirit and habits of actively making explorations, daring to blaze new trials, engaging in arduous struggle, advancing forward despite of difficulties, working with one heart and one mind, giving consideration to the overall situation, doing official work honestly, exerting vigorous efforts to make the country prosperous, and making selfless dedication to strike a deeper chord in the hearts of the people and to become a media force and a concept that are advantageous to deepening reform and expanding the degree of opening up, and provide a strong spiritual impetus for accelerating economic development.

We should actively strengthen the building of socialist democracy and the legal system. Governments at all levels should exercise their duties and responsibilities in line with law, consciously observe all state laws and regulations and accept supervision from the people's congresses and their Standing Committees of their corresponding level, give effective play to the role of the CPPCC, various democratic parties, and mass organizations in giving democratic consultation and supervision in social economic development and the government work, and conscientiously handle the suggestions raised by the deputies and the motions raised by the CPPCC members. We should pay attention to the letters and visits from the masses, earnestly adopt their suggestions for rationalization, unceasingly promote democratic and scientific policymaking, continue to strengthen the building of the legal system among government organs, and do a good job in formulating local laws, regulations and administrative rules. Conscientious efforts should be made to carry out the second five-year plan for disseminating law, enhance the sense of the legal system of all the people, correctly handle the people's internal contradictions, strengthen ideological and persuasion work, and use democratic and persuasive methods to educate the people and to change passive factors into positive ones.

We should further strengthen the work on comprehensively improving the social security. All localities and departments should exert joint efforts to grasp and manage security work and to coordinate with one another, continue to deal strict blows to serious criminal offenses and economic criminal activities, pay special attention to dealing blows to such criminal activities as theft, cheating, robbery, drug manufacturing and trafficking, abducting and selling women and children, and resolutely check repulsive phenomena, such as the "six vices." It is necessary to manage the police strictly and raise the political and professional levels of the security cadres. We should deeply conduct activities on supporting the army and giving preferential treatment to families of martyrs and servicemen and on supporting the government and cherishing the people, strengthen the sense of national defense and the education on people's air defense, intensify the building of national defense reserve force, consolidate and develop unity between the Army and the government and between the Army and the people, and create a good social environment for reform, opening up, and the modernization drive.

### 3. The Tasks Which We Must Successfully Carry out in 1993

The year 1993 is an important year for comprehensively implementing the guidelines of the 14th party congress, the First Session of the Eighth National People's Congress, and the sixth enlarged plenary session of the fifth regional party committee and for promoting a rapid and better national economic development. The major targets of our region's economic and social development of this year are: The GNP should increase 12 percent over

the previous year; the total retail sales of society should increase 15 percent; the rise in the general level of commodity prices should be controlled at 7 percent or so; and the natural population growth rate should be controlled within 13.11 per thousand.

To accomplish the aforementioned tasks, the autonomous regional government should achieve success particularly in the following eight fields of work.

A. We should actively restructure the economies of rural and pastoral areas and make new steps in developing high-yield, good-quality, and high-efficient agriculture and animal husbandry. The general requirement on this year's agriculture and animal husbandry is to develop high-yield, good-quality, and high-efficient agriculture and animal husbandry on the premise that the total grain output and the total livestock number are stabilized and strive for an increase in both the production and income of agriculture and animal husbandry. The increased value of the primary industry (agriculture and animal husbandry) should grow by 7 percent over the previous year, which requires that the agricultural output value grow by 7.5 percent accordingly. The per-capita net income of peasants and herdsmen should increase by about 100 yuan.

Emphasis should be given to three tasks: 1) We should continue to make particular efforts in the capital construction for farmland and grassland with the focus on water conservancy facilities, increase the farmland where irrigation is guaranteed by 120,000 hectares, build 8,000 small supporting fenced pastures totaling 13,000 hectares, and complete water and soil conservation projects for 333,000 hectares of land. We should continue to intensify construction of various production bases for agriculture, animal husbandry, and forestry, build well some water conservancy projects, such as the Hetao irrigated area, the Taihekou water conservancy hub, the Hongshan reservoir, the Wendegen reservoir, Chaersen reservoir irrigated area, and the Luanjingtan irrigated area, and concentrate efforts on the construction of 10 animal husbandry demonstration zones and five agricultural demonstration zones. We should continue to build and manage forests well with the focus on building the shelterbelts in north, northeast, and northwest China, the improvement of deserts, and the greening of plain areas. 2) We should eliminate the issuance of IOU's for the purchases of farm and animal products. Governments at all levels should regard this as a mandatory task. Monetary and finance departments must prepare, ahead of schedule, for the funds for purchasing farm and sideline products and make sure that funds are in place on schedule. 3) We should continue to develop township enterprises greatly. This is the focus of this year's rural and pastoral economic work. This year, the region's output value of township enterprises should reach 14.39 billion yuan, and we should strive to make it 15 billion yuan, up more than 40 percent from 1992. Localities where transportation and energy conditions are better should take the lead in

building a number of small zones where township enterprises are concentrated and building 10 foreign exchange-earning bases in border banners and counties so that township enterprises will gradually gain advantages in scope and efficiency.

B. We should ensure a fairly rapid growth in industrial production on the premise that the structure is adjusted, quality upgraded, and efficiency improved. This year, the focus of industrial production should be placed on adjusting the structure, promoting technical progress, and upgrading quality, and we should achieve notable improvement in economic efficiency and make the increased value of industry 12 percent higher than last year's, which requires that industrial output value increase by 13 to 15 percent. Raw coal production capacity should increase by 1.4 million tons, and power generating capacity 360,000 kilowatts in the year. The region plans to develop 1,000 new products and will strive to develop a number of brand-name, good-quality, and highly competitive products whose production capacity is fairly large. We should greatly promote the technical progress of enterprises and coordinate this with our effort to adjust the structure. This year, the region will arrange 2 billion yuan of investment in technical transformation and will arrange 400 regional-level technical transformation projects. We should continue the crackdown on the production and marketing of fake and inferior products. We should pay close attention to the work of ending deficits and increasing profits with the focus on strengthening management and upgrading quality and further implement the system of responsibility for putting an end to deficits within a definite time. This year, we plan to reduce the deficits of the budgetary enterprises throughout the region by 20 percent and will strive for a 30-percent reduction.

C. We should deepen the economic structural reform with the focus on transforming the operating mechanism of enterprises. Successful transformation of enterprises' operating mechanism is the central work of the region's reform this year. Governments and departments at all levels should conscientiously implement the relevant regulations of the state and the autonomous region and transfer to enterprises all the decisionmaking power they are entitled to. Meanwhile, we should wholeheartedly serve the working class, further deepen the internal reform of enterprises, pay attention to reforming the distribution system, and fully mobilize the enthusiasm of the broad masses of workers by building an effective profit incentive mechanism. In changing the operational mechanism of enterprises, the whole region should particularly grasp the following three aspects of reform experimental work well: First, we should continue to expand the number of units experimenting with the system whereby enterprises pay tax plus a percentage of profits. Enterprises whose terms of implementing the contract responsibility system in management have expired should implement this system if their conditions permit. Second, on the basis of improving the existing 25 enterprises experimenting with the shareholding system,

we should gradually expand the number of enterprises experimenting with the shareholding system and develop a batch of large shareholding enterprises. In the future, all newly-established enterprises should be built in the form of shareholding enterprises if their conditions permit. Third, we should actively change the management system of state-owned small enterprises, lease them to the public, recruit works throughout society, sell them in the form of shares, or auction them. This year, we should strive to make fairly big strides in this aspect.

In the circulation sphere, we should continue to cultivate and build all sorts of markets. During the year, we should build, renovate and expand 150 markets of various descriptions. In pricing reform, on the premise of keeping the commodity prices basically stable, we should continue to expand the scope of regulating the prices through the market force, and decontrol the prices of all products except for the commodities whose prices have been prescribed or fixed by the state and the labor service prices.

We should accelerate the building of the social security system and reform of the housing system, further expand the scope of collecting the overall old-age pension insurance funds of enterprises from all social sectors, comprehensively promote the system of making workers to pay a basic amount of old-age insurance funds, actively carry out the integrated old-age insurance and medical-care insurance experiments among all the people, including workers of administrative organs, institutions and units, and expand the scope of unemployment insurance. Further efforts should be made to deepen reform of the housing system and accelerate the implementation of all sorts of reform measures, such as the measures for selling houses or building houses with collective funds. Localities where a single-item reform has been carried out should rapidly carry out other supporting reforms.

It is necessary to deepen the reform of the macroeconomic management system and promote the change of government functions. The governments should gradually orient their functions to making overall planning, grasping policies, giving information guidance, organizing and coordinating their work, providing service and conducting investigation and supervision. The emphasis of making overall policy decisions of the governments should be changed into studying major strategy, formulating major policies, organizing an overall balance and grasping major items. In planning work, we should continue to reduce the scope and number of mandatory plans. The variety of products whose production and circulation are under the regional management plan should be reduced by 60 percent from the previous year. We should comprehensively apply all sorts of economic levers, strengthen the work on economic legislation, economic supervision, and economic information, give play to the role of the auditing, statistical, supervision and technology inspection departments, and gradually form a fairly good macroeconomic regulation and control system.

D. We should strive to expand the scope of creating foreign exchange through exports and using foreign capital, and achieve new progress in opening to the outside world. This year, the whole region's total volume of imports and exports should reach \$1.22 billion, an increase of more than 30 percent over the previous year. We should further deepen reform of the foreign trade system, improve the contract management methods, combine industry with agriculture, introduction of new technology, commerce and foreign trade, decontrol the operational scope of all sorts of import and export enterprises, actively open up the international market, actively develop border trade, and continue to grasp the building of export bases. While striving to expand the export of traditional products, we should further expand the export of labor service and tourism in an effort to earn foreign exchange. We should actively develop various sorts of enterprises with fairly good efficiency outside the region through the methods of using our own funds or developing joint ventures and cooperative management enterprises.

We should strive to bring in \$150 million of foreign capital this year, up 22.4 percent from last year, and the number of newly approved three types of foreign-funded enterprises and technology import projects should also show a substantial increase over last year. We should continue to improve the investment climate and use still more preferential and flexible measures to attract foreign investment. We should organize a competent contingent of workers to draw in foreign investment, hold news briefings, trade talks, or sales exhibitions at various levels, make wide contacts with foreign firms, and broaden the channels for foreign cooperation. We should continue to consolidate and develop the multi-level, multiform, and multi-directional economic, and technological cooperation with our neighboring and other provinces and municipalities and strengthen and expand the lateral economic ties.

E. We should properly muster financial and material resources to carry out key construction projects successfully. We should speed up the construction of continued and new projects. This year, the region arranges the investment in the fixed assets of local state-owned enterprises as 4.72 billion yuan, up 47.6 percent over the planned amount arranged at the beginning of last year. Construction of the Jining-Tongliao railway should be stepped up so that the entire line can open to traffic before the end of this year. In highway construction, we should pay attention to the construction of the highways leading to Manzhouli and Erenhot to ease the strains on ports and the construction of the Hohhot-Baotou Expressway, the Hohhot-Jining second-grade highway, and the Ulan Hot-Yiershi second-grade highway. In power construction, we should build well the ongoing projects, such as the Dalate power plant, the third-phase project of Yuanbaoshan power plant, the Fengzhen power plant, the Yimin coal and electricity projects, the Huiliuhe power plant, and the Haibowan power plant, and speed up the early-stage work for the Huolinhe,

Baorixile, Youzhong, and other new power plants so that construction can begin as soon as possible. In coal industry, we should particularly build well the Jungar, Yimin, Zhalainguoer, Huolinhe, Dayan, Yuanbaoshan, and Lijiata coal mines. In metallurgical industry, we should emphasize the technical transformation of the Baotou Iron and Steel Complex. In nonferrous metal industry, we should step up construction of the Huogeqi copper mine and the Chifeng zinc smeltery. In chemical industry, we should build well the Jilantai soda plant and the Inner Mongolia chemical fertilizer plant. In the building material industry, we should step up the early-stage work for the planned new projects. In urban infrastructure, we should strive to start Baotou's Hua-jiangying water source project as soon as possible and expedite the early-stage work for the project to diverting Huang He water to Hohhot. We should continue to regard environmental protection as a basic national policy and adopt realistic and effective measures to control environmental pollution step by step. Hohhot and Baotou cities should start their environmental pollution control projects comprehensively and see to it that realistic results are achieved.

This year, we should make a breakthrough in the development and construction of the delta connecting Hohhot, Baotou, and Dongsheng and its periphery as a part of the endeavor to implement the development strategy of building "two belts and one zone." We should do a still better job in the planning and appraisal of the central economic zone of Inner Mongolia, widely publicize the development prospects and preferential policies of this zone, encourage more domestic and foreign firms to invest in its development and construction, and strive to bring in a number of new construction projects so that the development and construction of the central economic zone will have a good beginning and win substantial progress.

F. We should achieve success in finance and monetary work and give full play to its role in serving, supporting, and supervising economic construction. This year, the region's revenue budget is arranged at 4.1 billion yuan, up 8 percent from the preceding year; and the expenditure budget is arranged at 6.44 billion yuan, up 5.2 percent from that arranged early last year. While cultivating and consolidating the existing financial resources, we should actively develop new resources, such as reimbursement for the transfer of state land, business in state real estate, and charges for foreign exchange trade. We should improve and strengthen the collection and management of taxes and gradually increase the proportion of the revenues from non-state sectors of the economy. We should put expenditures under effective control and reduce financial burdens by reducing departments, personnel, enterprise deficits, and price subsidies. We should continue the campaign for increasing production, practicing frugality, increasing revenues, and reducing expenditures and put institutional purchases under strict control.

We should further deepen the reform of the financial system, vigorously develop the monetary markets at the regional and league and city levels, further strengthen the cultivation and management of the negotiable securities according to the state relevant regulations, continue to pioneer foreign exchange regulation markets, and create conditions for developing foreign financial organs. We should adopt various methods to organize, enliven, and circulate capital; set up varied financial service systems; and develop non-banking financial organizations and insurance organizations. We should positively work in cooperation with departments concerned to carry out the enterprise shareholding system and strive to have one or two shareholding enterprises to issue their stocks in Shanghai and Shenzhen. According to the requirements for the state macroeconomic control, we should strictly carry out the credit plan, further readjust the capital input structure and orientation, and ensure the focal points of capital input. The proportion of the agricultural and livestock production loans in the total credit volume should rise from 8 percent at the end of 1992 to 15 percent.

G. We should speed up the reform and development of science and technology and education to promote the combination of various social undertakings with the economic construction. We should put the "Spark Plan" in a prominent position, deepen the implementation of the plan, and form the efficiency of scale. It is necessary to positively coordinate the "torch plan" with the construction of the new high-tech development zones. The scientific and technological front should continue to regard the popularization of science and technology as its key work, vigorously pioneer technology markets, and accelerate the transformation of scientific and technological findings into commodities. We should further launch the campaign of creating enterprises dominated by science and technology; continue to first support, in the spheres of capital and planning, the scientific and technological experimental project with nine scientific and technological banners and counties playing a leading role, and positively make a unified plan for developing agriculture, science, and education. We should positively guide the reasonable distribution of scientific research organizations and science professionals and technicians; support and encourage increasingly more scientific research organizations to conduct transformation along with the orientation of making scientific research, management, and production a coordinated process; and accelerate the pace of linking production with study and research.

We should vigorously strengthen the basic education and further improve the school-running conditions. We should continue to strengthen the applied technology training work in the rural and pastoral areas and realistically achieve the work of cultivating at least one household-based technician for each and every peasant and herdsman household. In regard to higher education, we should focus our efforts on developing a group of specialized courses, such as industrial and communications, financial and economic, foreign trade, and foreign

language courses, that are urgently needed in the region's economic construction; and positively support the setup of a group of new high- and new-tech specialized courses. According to the demands of the economic development and on the premise of fulfilling the state plan and ensuring the quality of education, universities and secondary specialized schools should increase the proportion of the students recruited on a commissioned basis or at their own expenses. We should encourage and support the running of schools by various forms, carry out the system of mainly relying on financial allocations and collecting educational funds from various fronts to develop education, and bring into full play various fronts' enthusiasm for running schools.

We should further develop and rejuvenate press and publication, radio and television, and literary and artistic undertakings. The region should strive to transmit, as soon as possible, its television programs through the satellite relaying networks. We should positively run various categories of cultural centers, such as libraries, museums, and cultural centers; vigorously enliven literary and artistic creation; realistically strengthen the setup of Mongolian cultural troupes and the centers for conducting cultural activities in the rural and pastoral areas; carry out the "rainbow cultural plan;" strengthen the cultivation and management of the cultural markets; and further enliven and enrich various kinds of mass cultural entertainment activities in the urban and rural areas. It is necessary to continuously strengthen the protection and use of relics. We should realistically pay attention to the Mongolian language and characters. We should persistently launch the patriotic public health campaign, continue to carry out the primary health care work with the focus on the rural and pastoral areas, and strengthen the construction of the three projects relating to the grass-roots public health organizations. We should actively develop sports undertakings, extensively develop mass sports activities, conscientiously make all preparations for participating in the "seventh national sports meet," and strive to make good achievements in this aspect. This year is still in the third baby boom period, and the task of controlling population growth has remained very arduous. We must persist in making party and government top leaders at all levels personally grasp family planning work and assume overall responsibility over it, attach simultaneously attention to economic development and family planning, strictly implement the responsibility system of management by objective, vigorously strengthen basic work in the grass roots, keep the ranks of family planning workers stable, and guarantee the fulfillment of the plan of controlling population growth. Efforts should be made to strengthen the work on Overseas Chinese affairs and on the federation of the handicapped people, and do a better job in earthquake forecast and prevention work.

H. We should conscientiously carry out organizational reform and realistically strengthen the self-development of governments. This year, organizational reform should be comprehensively carried out in the autonomous

region and down to sumu, townships and towns. In line with the principle of separating government functions from business management, streamlining organs, and seeking unification and efficiency, we should make overall planning, combine the efforts of the higher and the lower levels, allow banners and counties to try out organizational reform ahead of other places, integrate the efforts of four levels, and strive to fulfill the organizational reform tasks in organs below the banner and county level across the region at the end of the year. Meanwhile, we should accelerate the pace of the region's organizational reform, strive to basically complete the league, city and regional organizational reform during the first half of 1994, combine the streamlining of organs with the change of government functions and economic development, establish and improve the responsibility system of government organs and their functionaries at all levels, define the functions, size and the fixed number of staff members of government organs at all levels, and encourage and support cadres of administrative units and institutions to leave their offices to engage in developmental production and to run the tertiary industry.

The government functionaries at all levels should strengthen theoretical study and the study on the market economy and the advanced management pattern and methods at home and abroad, rapidly change the old mode of thinking and work methods formed under the planned economic pattern, rapidly learn how to control the market economy and manage things in line with the economic law. The government functionaries at all levels should firmly bear in mind the purpose of wholeheartedly serving the people, perform administrative work diligently for the people, show selfless dedication, strive to raise the working efficiency, and render good service to the people on their own initiative. We should persist in unwaveringly launching an anticorruption struggle and give priority to investigating and handling the law-breaking acts and discipline violations of the functionaries of leading organs as well as economic management, law-enforcement and supervision departments. It is necessary to improve the system of administrative honesty, strengthen the mechanism of supervision and restriction, and strengthen supervision and inspection over the administrative acts of government organs and their functionaries. At present, the major policies have been set and the objectives and tasks have been clearly defined. The key to making this work a success is to implement the policies and tasks with strenuous efforts. Governments at all levels should regard paying attention to actual results as the basic criterion, give fewer empty talks, do more practical things, and grasp the work firmly, meticulously and realistically. Organs at all levels should simplify meetings and documents, reduce the burdens of the grass roots, and resolutely abolish those appraisal and commendatory activities that yield few results. Leaders at all levels should devote more time to going deeply to the reality of life and to the grass roots to help the masses solve practical problems with great enthusiasm, mobilize the enthusiasm of cadres and the masses to the greatest extent, and turn the move of invigorating the region, making the people rich and attaining the goal of

becoming well-off into a vigorous and creative activity of thousands upon thousands of people.

Fellow deputies, the next few years and even the whole 1990's are the crucial period for us to accelerate reform, opening up, and the modernization drive as well as a decisive stage for the people of various nationalities across the region to become well-off. Under the guidance of the guidelines of the 14th party

congress, let us rally closely around the party Central Committee with Comrade Jiang Zemin as the nucleus, and lead the people of various nationalities across the region to work with one heart and one mind, to enhance spirit, to exert vigorous efforts to make the country prosperous, to advance with a pioneering spirit, and to strive to win a new victory in reform, opening up and the modernization drive under the leadership of the regional party committee.

**SEF Official on UN, Relations With MAC**  
*OW2106103193 Taipei CHINA POST in English*  
*17 Jun 93 p 15*

[By R.L. Chen]

[Text] Taipei has missed an opportunity to talk with Beijing earlier this year over Taiwan's representation at the United Nations, revealed Cheyne Chiu [Chiu Chin-yi], vice chairman of the Straits Exchange Foundation [SEF], yesterday.

Chiu told legislators that mainland authorities intended to arrange a meeting between him and Qian Qichen, the mainland's foreign minister, over the UN issue when Chiu visited Beijing in April to lay the groundwork for unofficial talks between the two sides that were later held in Singapore.

But Taiwan's Mainland Affairs Council (MAC) rebuffed the idea to meet, Chiu said.

"Continuance of this avoiding policy will only undermine Taiwan's bargaining position," he added.

However, Huang Kun-huei [Huang Kun-hui], the MAC chairman, said Taiwan's UN bid basically does not conflict with the development of relations between the two sides of the Taiwan Straits.

"We will join the UN under the principle of 'one China,' which can make up for the deficiency in the Chinese representation issue," Huang told legislators.

"The Chinese communists should abandon their claim that they represent us and acknowledge the need for coexistence," Huang said, adding that they should abandon their zero-sum game- "either you live or I die."

He said the government should seek joint UN membership with Beijing, using the argument that, the Chinese representation issue is still unresolved, and therefore Taiwan is entitled to a UN seat.

Observers, however, noted that Huang's comments echoed earlier remarks of President Lee Teng-hui [Li Teng-hui], who has been eager to have Taiwan rejoin the UN which ousted the island to admit Beijing in 1971.

Foreign Minister Fredrick Chien [Chien Fu], responding to Lee's call for the nation to rejoin the UN, has said that Taipei will launch its membership bid in 1996.

Testifying at the parliament yesterday, Vice Foreign Minister Chen Hsi-fan [Chen Xifan], said the government will not apply for UN membership this year but will not rule out the possibility of pushing for joint UN membership with Beijing.

He added that the authorities will not object to the idea of first becoming a UN observer before officially

entering the world body. Meanwhile, Chiu, who threatened to quit the SEF, blamed the MAC for imposing too many restrictions which impeded progress on cross-strait relations.

"I feel my work at the Straits Exchange Foundation is restricted by the council ... and for this I think maybe it would be better for me to resign," the chief negotiator at the historic talks with the mainland said.

Chiu offered to resign in early May, shortly after returning from Singapore and the first-ever unofficial talks between Taiwan and the mainland, expressing frustration over the council's restrictions on contacts between the rival governments.

He told legislators yesterday that the MAC should catch up with the rapid development in cross-strait cultural, business and other exchanges, and cease interfering in the foundation's business.

"The relations of the foundation and the council are like brothers, not son and father," Chiu said. "They are parallel, not subordinate to superior."

The MAC, often criticized here for its slow response, was set up in 1990 to design mainland policies for the government. The foundation was set up a year later as a nominally private body to represent the government in contacts and negotiations with Beijing.

The government here, driven off the mainland after losing a civil war to the Chinese Communists in 1949, bans direct and official contacts with Beijing. But amid increasing Taiwan-mainland contacts in recent years it has used the foundation to deal with Beijing.

**Further on SEF-MAC Ties**

*OW1906053193 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT*  
*17 Jun 93*

[From the "Hookup" program]

[Text] Harsh comments between General Secretary Chiu Chin-i of the Strait Exchange Foundation [SEF] and Chairman Huang Kun-hui of the Mainland Affairs Council [MAC] on the evening and night of 17 June, in addition to long-existing discord and enmity between the two organizations, has driven them close to a showdown. A high-level discussion between the two organizations that was originally slated for 19 June may not be able to be held as scheduled because Chiu Chin-i has decided to take a one-week leave beginning today.

Last night's incident was the first time that the two sides had harshly assailed each other outside the Legislative Yuan since relations between the two organizations began to deteriorate. Secretary General Chiu Chin-yi first said yesterday evening at the SEF office that the problem between SEF and MAC was a problem of mentality and methodology, but not a personnel or funding problem as it had appeared to be. He said that in

a situation of inequality and [words indistinct], he had no choice but to resign, since it was not possible to remove Chairman Huang. Yang Chin-hui filed the following report:

[Begin recording] [Yang Chin-hui] SEF Secretary General Chiu Chin-i was flamboyant when he took office, but he did not hesitate to act against serious political taboos to repeatedly declare that he was both physically and mentally exhausted and that he wanted to resign. He stressed that the problem between SEF and MAC was a problem of mentality and methodology. He said, in the first place, that MAC had not treated SEF as an equal partner, and that SEF had no way to conduct its business in a situation of [words indistinct]. Chiu Chin-i said:

[Chiu Chin-i] This is a problem of mentality. This is very difficult to say because it is between a higher- and a lower-level organization. He [Chairman Huang] feels that SEF should not view itself as an organization of equal rank with MAC. He just feels that way.

[Yang Chin-hui] Secretary General Chiu said: Even the promotion of (Yu Hui-shen) to deputy secretary general of SEF had to be approved by MAC. And, the (?provisions of the agreement) governing the relationship between SEF and MAC are no less than an unequal treaty. Chiu Chin-i also said he was not swayed by his personal feelings but just felt that he was unable to fulfill his aspirations. He said since it was not possible to remove Chairman Huang, the only way was for him to resign.

[Chiu Chin-i] This is not a dispute with MAC (?bureaucrats) caused by personal feelings. Why should I engage in such disputes at my age? The point is that whatever you do you naturally have aspirations to fulfill and hope to do your job well. Now I am unable to do my job and you cannot remove Huang Kun-hui, can you? It is that simple, right? What can I do then? I have no choice but to resign.

[Yang Chin-hui] Chiu Chin-i stressed that he felt very sad and was mentally and physically exhausted. He said he just wanted to resign and had decided to take one-week leave first. [end recording]

#### MAC Holds News Conference

*OW1906084393 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 17 Jun 93*

[From the "Hookup" program]

[Text] Huang Kun-hui, chairman of the Mainland Affairs Council [MAC], held an urgent council meeting yesterday evening [17 June] with Kao Kung-lien, MAC vice chairman, Chang Lien-jen, director of the Department of Information and Liaison [DIL], and others. They decided to clarify the relationship between the MAC and the Strait Exchange Foundation [SEF] to

people outside the organization, and to openly define the MAC's position in a written statement presented at a news conference.

The MAC stressed that the SEF is subject to supervision according to the law, and the relations between the two organs have never been parallel. Therefore, the SEF secretary general should recognize that the macro environment and structure of the two organs cannot be changed according to individual desires, nor can decisions be made according to personal preference. Finally, the MAC hoped that the two organs would exercise forbearance and maintain concerted action for the country's sake.

The following is from reporter Yang Chin-hui:

[Begin recording] [Yang Chin-hui] With the latest worsening situation, which is close to a showdown, between the two organs in mind, the MAC held a news conference following an urgent council meeting and issued a five-page written statement. The MAC stressed that the reason for this decision was to clarify the relationship between the two organs. With Secretary General Chiu in mind, DIL Director Chang Lien-jen first pointed out that the two organs are not equal and said that relations between the two have never been parallel. He said:

[Chang Lien-jen] Relations have never been parallel. If the SEF is not subject to the restrictions of government policies, it will create a situation in which the central government will have weak leadership and the administrative structure become chaotic, causing problems in carrying out tasks concerning mainland affairs, especially as it is a nongovernmental corporate body. Since it is only a corporate body, how can it make mainland policy on behalf of the government, and how can it coordinate with so many government organs. The SEF has caused some problems for the two organs because it does not fully understand its role as a nongovernmental organization.

[Yang Chin-hui] Second, Chang Lien-jen said that the SEF is not a general corporate body because it has its own special nature.

First, most of its funds come from the government. Second, it is especially stipulated in the cross-strait regulations that its posts should be filled by government functionaries who are familiar with mainland policies and regulations. Third, the SEF is the only organ that is authorized by the government to deal with cross-strait affairs related to civil rights. Fourth, the SEF's business is crucial to the welfare of the 20 million people in Taiwan. Therefore, the MAC stressed that the SEF must recognize its special nature but not stress its general nature, especially the role of secretary general.

[Chang Lien-jen] As SEF secretary general, he [Chiu] especially needs to recognize the significance of timing, the objectives of the two organs, and roles and missions of the two. He should also understand that the macro

environment of domestic political ecology and the structural relations between the two organs cannot be changed as one wishes and cannot be decided by one's personal preference.

[Yang Chin-hui] Finally, the MAC stressed that the two organs are still new. To make their relations more systematic, there must be mutual concessions and frank and sincere talks in seeking solutions. The MAC held that there certainly will be different viewpoints in the course of development; however it is not appropriate to make a public announcement without coordination, and to ask for approval from competent organs without presenting proposals because this is against normal administrative procedures.

The MAC also said that because what we face today is the Communist Chinese regime that is anxiously trying to absorb us, the staff of the two organs should exercise forbearance for the sake of the country and people, (?maintain uniform steps), communicate and coordinate with each other, and do their respective jobs well. This is in keeping with the prosperity and welfare of the country and people. With this goal in mind, the MAC wishes to encourage itself and the SEF. [end recording]

### Premier Plans To Continue 'Flexible Diplomacy'

*OW1906142993 Taipei CNA in English 1413 GMT 19 Jun 93*

[Text] Taipei, June 19 (CNA)—Premier Lien Chan said Saturday [19 June] that the Republic of China [ROC] will seek wider global recognition by continuing to pursue flexible diplomacy.

The premier spoke at the University of Chicago Alumni Association's reunion dinner held at a Taipei hotel.

Lien earned his doctorate in political science from the prestigious university.

Lien said that the ROC will make contributions to the world while safeguarding its rightful interests as a full-fledged member of the international community.

Lien stressed that he has been running his cabinet based on the principle that an efficient government is the best possible government.

He noted that he hopes the way of life in the ROC and its political and social institutions will continue to be used as a model by the some one billion people in the Chinese Mainland.

### CNA Reports Minister Chien's Colorado Address

*OW1906095793 Taipei CNA in English 0749 GMT 19 Jun 93*

[Text] San Francisco, June 18 (CNA)—Foreign Minister Chien Fu of the Republic of China [ROC] said Friday [18 June] at the AEI (American Enterprise Institute)

world forum being held at Beaver Creek, Colorado, that the world has not become a safer place since the so-called cold war ended.

Local conflicts have been taking place in the Middle East, Africa, the Balkans, the former Soviet Union and other areas in the past few years, Chien said.

Other forms of conflict, be it of racial, political or economic nature, are the order of the day, with far-reaching effects, sometimes no less serious than armed conflicts, he added.

Chien gave the remarks at the world forum's plenary session on international strategic issues.

Despite the rapid decline of communism and the sweeping embrace of democracy and free enterprise throughout much of the international community, it is still a dangerous world, he said.

"Together, we still share many urgent strategic goals, such as: containing small ethnic and border conflicts, countering global terrorism, halting proliferation of nuclear and conventional weapons of massive destruction, and cooperation in advancing technology and the general human welfare," Chien said.

Chien said multilateral cooperation at the regional and global levels remains as important as ever. To achieve these strategic goals, universal participation should be encouraged, he said. On a personal note, he said, one of his most important tasks as the foreign minister is "to get my country more actively involved in all regional and global forums and organizations, most notably, the United Nations."

In his remarks on international strategic issues, Chien said military risks in Asia persist despite the new world order, and expanding regional integration and common prosperity, saying two phenomena can be cited, namely, first, contention between internationalist and nationalist forces; and, second, contention between opposing ideologies. "We must not overlook the two strongest remaining communist outposts in East Asia."

Chien said that looking to the coming decade, four major factors will affect stability in Asia: (1) reductions in U.S. military presence; (2) Japan's growing role in the international arena, particularly her active role in UN peace keeping operations overseas; (3) Mainland China's new law on territorial waters; and (4) diplomatic relations between South Korea and Mainland China.

"We also feel the growth in Mainland China's military capabilities is quite destabilizing, because they are: (a) continually expanding their air and naval forces, with huge purchases from Moscow; (b) seeking access to South China Sea and its potentially rich mineral resources; and (c) doggedly refusing to renounce use of force across the Taiwan Straits," he said.

"Whether or not we have a specific potential target in mind, it is my considered opinion that the nations in

Asia and Pacific region should consider a collective security system based upon economic cooperation. This collective security system calls for joint security planning which would reduce the likelihood of conflicts flaring up and serve to eliminate mutual distrust."

Furthermore, Chien said, a security forum, once established, could help to strengthen stability and integration, as well as to lessen confrontation, suspicion and squandering of resources in this area.

In order to defray costs for the maintenance of our common security, Chien said, a collective security protection fund might be set up for receiving contributions from interested nations.

Chien participates in the three-day AEI world forum at the invitation of former U.S. President Gerald R. Ford. The world forum formally began yesterday at Beaver Creek in Colorado.

#### Activists Protest Nuclear Power Plant Shutdown

OW1906074293 Taipei *Voice of Free China* in English 0200 GMT 18 Jun 93

[From the "News" program]

[Text] Antinuclear protesters took to the streets on Wednesday [16 June], after the island's third nuclear power plant was forced to shut down due to equipment malfunction. The activists demonstrated in front of the General Electric [GE] Taiwan office, demanding that GE withdraw its bid to build the fourth nuclear power plant on the island. The GE-supplied three nuclear plants that are already on the island have been forced to shut down nine times already this year alone, with five of those times coming last month. The poor record of GE power plants in Taiwan is coming under heavy criticism from various sectors of society, including activists, workers, and legislators. GE issued a press release saying that special attention is paid to safety and environmental protection, and that all of their products have been approved by the U.S. Nuclear Regulatory Commission. The shutdown of the third nuclear power plant nearly

caused a major blackout in southern Taiwan on Wednesday, but state-run Taipower managed to redirect electricity to the southern area and avoid any inconvenience.

#### Restrictions on Technology Exports Planned

OW1906103893 Taipei *CNA* in English 0759 GMT 19 Jun 93

[Text] Taipei, June 19 (CNA)—The Republic of China [ROC] will impose stricter restrictions on exports of high-technology products from January 1994 at the request of the United States, an Economics Ministry official said Saturday [19 June].

This is part of an agreement reached between the two countries earlier this month in Hawaii, said Chen Chao-i, director of the ministry's technological service department.

Chen said the measures are aimed at preventing Taiwan companies from re-exporting high-technology obtained from the West to such "unfriendly countries" as Mainland China, Vietnam, North Korea, Iran, Iraq and Libya.

"This will prevent those unfriendly countries from securing high technology which could be used for unauthorized military purposes," Chen noted.

The restrictions will be similar to those imposed by the Coordinating Committee for Multilateral Export Controls (COCOM), the Western watchdog body which monitors exports of strategic technology involving avionics, sensors and other high-tech products.

Taiwan signed an agreement with the United States in 1990, pledging to comply with COCOM rules to monitor exports of high-tech goods.

According to the agreement, Taiwan began last November to monitor high-tech exports from its science-based industrial park in Hsinchu, requiring companies there to report high-technology deals to the government.

Starting next January, the rules will be imposed nationwide.

## Hong Kong

### PRC-UK Joint Liaison Group Resumes Talks

*HK2106104793 Hong Kong AFP in English 0939 GMT 21 Jun 93*

[Text] Hong Kong, June 21 (AFP)—After a six-month hiatus, British and Chinese diplomats on Monday [21 June] resumed full regular consultations here on technical aspects of Hong Kong's return to Chinese sovereignty in 1997. The three-day meeting of the Sino-British Joint Liaison Group (JLG), the first since December, was expected to focus on the use of military land in the colony and prospects for a ninth container shipping terminal.

"I very much hope we will be able to do some useful business and have something to report at the end of the three days," British team leader Anthony Galsworthy said before the meeting started. His Chinese counterpart, Guo Fengmin, voiced similar hopes for progress. Later, Guo and Galsworthy left the meeting venue together, smiling and waving to press photographers but declined to comment on the talks.

The JLG is supposed to meet at least three times a year to review details of Hong Kong's transition to Chinese rule. But it became a casualty of Chinese anger over Hong Kong Governor Chris Patten's proposals, unveiled last October, to extend the voting franchise for 1994 and 1995 elections here without first consulting Beijing. The December meeting failed even to produce a joint communique.

Monday's meeting followed Chinese approval of a franchise for Hong Kong's third cross-harbor road tunnel, a key part of the Chek Lap Kok airport project, during a meeting Friday of the JLG's specialist airport committee. In Beijing, a sixth round of Sino-British talks on Hong Kong's political development, based on Patten's blueprint, is scheduled to take place this week from Wednesday to Friday.

### No Announcement From Talks

*OW2106164493 Beijing XINHUA in English 1556 GMT 21 Jun 93*

[Text] Hong Kong, June 21 (XINHUA)—The Sino-British Joint Liaison Group resumed its talks here today after a half-year suspension.

The Chinese team was headed by Ambassador Guo Fengmin, senior Chinese representative. And the British team was led by its senior representative A.C. Galsworthy.

Prior to the start of the 26th meeting, Guo Fengmin expressed the hope that progress would be made through concerted efforts.

After three and half hours of discussion, the two sides left without any announcement. The meeting is expected to continue for another two days.

So far, Sino-British working bodies on Hong Kong affairs have all resumed normal functions.

### NPC To Establish SAR Committee Panel

*HK1906041393 Hong Kong SOUTH CHINA MORNING POST in English 19 Jun 93 p 5*

[By Fan Cheuk-Wan]

[Text] The National People's Congress (NPC) Standing Committee will next week announce the establishment and membership of the panel which will prepare for the Special Administrative Region (SAR) Preparatory Committee.

The proposal to set up the body is on the agenda of the Standing Committee meeting which begins in Beijing on Tuesday [22 June], according to Xiang Chunyi, vice-chairman of the NPC's Law Committee and a Standing Committee member.

He said personnel appointments were also on the agenda.

Mr Xiang, a former Basic Law drafter, said the working body would have about 50 members, half of which would be from Hong Kong.

An official from the local branch of the New China News Agency (NCNA) [XINHUA] said about two dozen Hong Kong people had been invited to sit on the SAR Preparatory Committee.

"The Hong Kong members will be invited to attend a working meeting in Beijing next month after the NPC Standing Committee formally announces the setting up of the working organ," he said.

"Local members of the working organ include former Basic Law drafters, Hong Kong affairs advisers and local deputies to the NPC and the Chinese People's Political Consultative Conference (CPPCC)."

The official said the body would be modelled on the defunct Basic Law Drafting Committee and senior Chinese officials in charge of Hong Kong affairs would take leading posts.

Wang Hanbin, Politburo alternate member and a vice-chairman of the NPC, is tipped to head the working body while Lu Ping, director of the State Council's Hong Kong and Macau Affairs Office (HKMAO), and Zhou Nan, director of the local branch of the NCNA, are likely to become vice-chairmen.

Chinese sources said Li Hou, former deputy director of the HKMAO and former secretary-general of the Basic Law Drafting Committee, was likely to be given an important post.

CPPCC vice-chairmen Henry Fok Ying-tung and Ann Tse-kai—both from Hong Kong—are expected to be named vice-chairmen.

Hong Kong affairs advisers Li Ka-shing, Cha Chimeng, Sir Sze-yuen Chung, David Li Kwok-po, Lo Tak-shing, Leung Chun-ying, Vincent Lo Hong-sui, Xu Simin, and Maria Tam Waichu, are also tipped.

### **Hong Kong Deputies Excluded**

*OW1906085193 Beijing XINHUA in English 0841  
GMT 19 Jun 93*

[Text] Beijing, June 19 (XINHUA)—The coming session of the Standing Committee of the National People's Congress (NPC), China's legislature, is going to deliberate on the draft decision of establishing the preparatory work organ of the preparatory committee on the Hong Kong Special Administrative Region.

Some of the NPC deputies from Hong Kong asked to attend the session, due to open next Tuesday [22 June] in Beijing, to give their opinions and suggestions.

The motion on setting up the preparatory work organ was first proposed by the Guangdong delegation which Hong Kong deputies belong to at the first plenary session of the Eighth NPC in March.

Zou Chenkui, the spokesman for the General Office of the NPC Standing Committee, said that the Hong Kong deputies and people from all walks of life in Hong Kong "have already been consulted and their opinions accepted at the plenary session before the decision on this motion was made."

"After that session, opinions of people from all walks of life in Hong Kong, including the NPC deputies, have been collected again so they won't be invited to attend the coming session of NPC Standing Committee," said Zou.

It is only four years to July 1 1997 when China will resume sovereignty over Hong Kong, he said. "It is both timely and of great necessity to establish the preparatory work organ."

The deliberations will not constitute a negative influence over the on-going Sino-British negotiations on Hong Kong issue, the spokesman added.

### **PRC Official on SAR**

*HK2106084093 Hong Kong WEN WEI PO in Chinese  
21 Jun 93 p 11*

[Unattributed report: "Cen Fengying Says That the UK Has No Right To Ask To Have a Hand in Preliminary Work Organ for Hong Kong SAR Preparatory Committee"]

[Text] Yesterday, Chen Fengying, assistant to the XINHUA News Agency Hong Kong Branch director and director of its Kowloon Office, said that the founding of

the Preparatory Committee for the Hong Kong Special Administrative Region [SAR] is a matter for the Chinese Government and that the British side has no right to ask to participate in any way.

After presiding over the founding ceremony of the Democratic Alliance for the Betterment of Hong Kong Kowloon Center Branch, Chen Fengying was asked by reporters to comment on the British side's reported demand to participate in the SAR Preparatory Committee to be founded in 1996 and for the Chinese side to promise to return all seats for the SAR Legislative Council by direct elections. Chen Fengying refused to confirm whether the British side had raised such demands in the talks on the grounds that the contents of the Sino-British talks must be kept secret.

She stressed that the Chinese side always observed the principle of keeping the talks secret.

On being asked whether the British side should take part in the SAR Preparatory Committee, Chen Fengying said that the Chinese side's position on this issue is consistent; that is, the British side should not take part in the SAR Preparatory Committee because the establishment of the SAR Preparatory Committee is a matter for the Chinese Government. Since this is a Chinese Government matter, Hong Kong people can make their own judgement as to whether or not the British side should participate.

Chen Fengying also said that although Hong Kong deputies to the National People's Congress [NPC] will not be able to attend the second meeting of the NPC Standing Committee to be held tomorrow and listen to the discussion on the founding of the preliminary work organ for the SAR Preparatory Committee, she believed that this will not prevent residents of Hong Kong from being informed about the progress of the work in this regard. Chen Fengying said that the NPC Standing Committee will give serious consideration to Hong Kong people's opinion and their hope for increasing the transparency of the work of founding the preliminary work organ.

### **PRC Official on Principles for UK Talks**

*HK1906074193 Hong Kong WEN WEI PO in Chinese  
18 Jun p 11*

[Report: "Zhang Junsheng Stresses That It Is Necessary To Go About Things According to Principle and Avoid Saying One Thing and Doing Another"]

[Text] Zhang Junsheng, vice director of XINHUA's Hong Kong branch, solemnly pointed out at a public gathering yesterday that only by genuinely and strictly following the principle of the "three conformities" announced by the Chinese and British sides will the two sides quickly reach an agreement in their talks on the arrangements for the 1994/95 elections.

Zhang Junsheng was asked by a reporter about developments in the Sino-British talks when he attended the opening ceremony that the Hong Kong Chinese Reform Association's club held for its members yesterday. Zhang Junsheng said: The Chinese and British sides have held five rounds of talks and will soon hold the sixth. In my view, if the Chinese and British sides genuinely and strictly follow the "three conformities" principle, specifically, if they act in accordance with the Sino-British Joint Declaration, with the principle of converging with the Basic Law, and with the agreements and understandings that have been reached, and if they earnestly discuss the arrangements for the 1994/95 elections, they will quickly reach agreement. If an individual agrees with the "three conformities" principle in words but acts otherwise, how can we make rapid progress even if we want to?

Zhang Junsheng stressed: The Chinese side is discussing the arrangements for the 1994/95 elections with the British side strictly according to the principle of the "three conformities."

A reporter asked: The British side has insisted that the seven diplomatic letters are not binding. Will the talks continue under these circumstances?

Zhang Junsheng asked in reply: Then what does the third element of the three conformities refer to? If the seven diplomatic letters are not considered agreements or understandings, then what does the agreements and understandings reached by the two sides specifically refer to?

Zhang Junsheng said he has no idea what is on the agenda of the scheduled meeting of the Sino-British Joint Liaison Group.

#### **Editorial: PRC, UK 'Narrowing' Differences**

HK1906034893 Hong Kong *THE STANDARD* in English 19 Jun 93 p 13

[Editorial: "Beginning of End of Sino-British Ice Age"]

[Text] Things are looking up at last. The Ice Age in Sino-British relations seems to be ending. The Joint Liaison Group (JLG) Airport Committee has achieved a major breakthrough by agreeing to press ahead with the Western Harbour crossing.

There was little doubt that this deal would be struck since Chinese enterprises own about 63 percent of the project. It is still significant, however, because it is a "first" for the committee. And there are indications that the two sides seem to be narrowing their differences on the funding plan which is the big prize.

The JLG has had two meetings this month and there will be another one on Monday. This means that after not meeting for seven months, they are having three meetings in the course of one month.

What a difference a year can make. It was generally agreed that the JLG discussions on the airport in July 1992 were little more than a charade in which neither side had any intention of giving ground.

Now, however, we are getting progress on a wide range of issues. Success builds on success. Yesterday's deal follows on from last month's unexpected breakthrough on Cable TV, the power franchise, and the New Territories landfill. Movement can be expected soon on air services agreements.

The two negotiators were smiling at the conclusion of yesterday's meeting. Will they be smiling again on Monday after a full JLG meeting at which they will discuss Container Terminal Nine?

This particular project should not be too much of a problem because there are Chinese companies involved in it.

The two sides seem to have learned belatedly something that any behavioral scientist could have told them: Cooperation is as natural as conflict, but fruitful where conflict is sterile. Enlightened self-interest does not suggest that we should love our adversaries, but it does require that we should try to find a course of common action with those with whom we are in conflict that will suit the aims of both parties.

It is tempting to suggest that China is finally separating economic issues from political issues. What may have happened, though, is that Beijing has realised time is running out.

Gone are the days when China was blatantly playing for time, stalling and prevaricating in the hope of pushing London to make political concessions in order to meet airport deadlines. Beijing seems to have realised that the time for playing games is over. This is the time for making decisions.

For its part, the British side seems to have got the hang of doing things China's way. If all that involves is consulting them and holding constructive dialogue, then nobody can say that's a bad thing.

#### **Editorial Attacks UK for 'Double-Dealing'**

HK1906063693 Hong Kong *WEN WEI PO* in Chinese 19 Jun 93 p 2

[Editorial: "Which Side Has Promoted the Talks? Which Side Has Been Double-Dealing?"]

[Text] All Hong Kong residents know that the Sino-British talks under way must be conducted on the basis of the three conformities. As long as the two sides abide by the promise of the "three conformities" and focus on the theme of making arrangements for the 1994/1995 elections in their talks, progress can be made very quickly.

If an individual who told Hong Kong residents that he was willing to talk on the basis of the "three conformities" actually acts quite differently at the negotiating table—insisting on Chris Patten's constitutional reform package, for example—in that case, progress definitely cannot be made in the talks. Fierce arguments have taken place between China and the UK centering around the issue of whether the two sides have stuck to their word in the six months between the dishing up of Chris Patten's constitutional reform package on 7 October last year and last April, when the Sino-British talks resumed. The Chinese side has said that Chris Patten turned away from the channel of friendly negotiations that was stipulated in the Sino-British Joint Declaration Annex II and unilaterally published his constitutional reform package; this violated the Joint Declaration. In addition, the substance of Chris Patten's constitutional reform package completely violated the negotiations and promises made in the seven letters between the Chinese and British foreign ministers as well as the principle of convergence with the Basic Law. The Chinese side will never accept the British side's behavior, which has been characterized by breaking faith with the Chinese side. The Chinese side stipulated that the UK must withdraw Chris Patten's constitutional reform package before talks between the two sides could resume. The British side insisted on Chris Patten's package for six months; one could say six months were wasted.

At that time, some Hong Kong residents hoped that Chris Patten would be given an opportunity to back down gracefully. To show its sincerity for an early resolution to the issue, the Chinese side issued a press communique which promised that Sino-British talks would be conducted on the basis of the "three conformities" to negotiate the arrangements for the elections. Hong Kong residents believed that this gave the British side an opportunity to back down gracefully and do business according to the negotiations and understandings in the seven letters. The facts of the five rounds of talks have shown, however, that the British side has not backed down but has escalated its demands. It has insisted on Chris Patten's constitutional reform package at the negotiating table and has openly asserted that "the British side never made any concessions and has always supported Chris Patten's constitutional reform plan." Furthermore, it has deviated from focusing on arrangements for the 1994/1995 elections, setting out an irrational demand for a "through train" with "definite passengers on it," completely disregarding the stipulations in the Basic Law. This, in effect, seeks to transcend China's sovereignty. The British side has also extorted the Chinese side under false pretenses, demanding that it participate in the preparatory committee for the Special Administration Region [SAR] that will come into being in 1996. The British side also demanded that the Chinese side promise fully direct elections in the SAR in the year 2007.

The Joint Declaration explicitly stipulates that the Government of the United Kingdom will end its rule over

Hong Kong on 30 June 1997. The Basic Law has made explicit arrangements for the development of Hong Kong's government structure; these matters are all within the realm of China's sovereignty and will be dealt with by the SAR government according to legal procedures. How can the Chinese side tolerate the colonialists' effort to reach their hands beyond 1997 to meddle in China's affairs? When such absurd topics were set out for the talks, did that conform to the theme of making arrangements for the 1994/1995 elections? Has it not been deliberately complicating the issue and wasting time? Has it not been seriously violating the Sino-British Joint Declaration, the principle of converging with the Basic Law, and the spirit of the negotiations in the seven letters between the Sino-British foreign ministers? What kind of "sincerity" does this show?

Should Chris Patten's constitutional reform package, which has already caused six months of disagreement and soured the formerly cooperative Sino-British relations, be placed on the negotiating table again, this would not be an action designed to reach an accord, but rather an effort to create a deadlock to prevent agreement. The British side has no sincerity for finding a solution to the issue but has been procrastinating.

Only yesterday, however, Chris Patten continued to allege falsely: "The British side has sincerity. Which side proposed talks? Which side wants talks? Which side has promoted the talks?" Chris Patten said that it was the British Hong Kong Government that urged China and the UK to hold talks. Here, Chris Patten is regarding our Hong Kong residents as fools who have no memory.

Hong Kong residents remember very well that long before Chris Patten took office, the Chinese side had been urging the British side to negotiate the arrangements for the 1994/1995 elections on the basis of the promises made in the seven letters. It was Chris Patten that had rejected the channel of negotiations and unilaterally dished up the Chris Patten constitutional reform package last October. When a press communique on Sino-British talks—which had been reached through diplomatic negotiations and arrangements—was about to be issued last March, Chris Patten brazenly gazetted his package and closed the door to talks on 12 March. When the Sino-British talks were underway, it was Chris Patten who went to the United States and talked at length about the "through train" and the "three-legged stool," thus creating a roadblock to the talks. Chris Patten's actions on 26 May, 31 May, and 4 June, which were characterized by implementing the legislation of the Chris Patten constitutional reform package piece by piece at the Legislative Council and merging Mongkok with Yau Ma Tei and Tsim Sha Tsui without holding consultations, have already jeopardized the smooth process of the talks. Hong Kong residents can see that Chris Patten has all along been impeding and jeopardizing the talks. The press communique has shown that the Chinese side has been the one promoting the talks, because the principle of the three conformities was written in this communique and is the primary topic on the agenda of

the talks. Would Chris Patten have required this principle? Would he have based the talks on this topic? Hong Kong residents know very well that he would not have.

Now why should Chris Patten turn black into white and claim credit for other people's achievements, saying that he was the one who had proposed, required, and promoted the talks? Because his brazen act of gazetting his constitutional reform package exposed his true face, which impeded the talks, and he came under fire from the Hong Kong residents. He is now very isolated. To cover up their unbending will and effort to push forward Chris Patten's constitutional reform package, the British Hong Kong Authorities have resorted to a double-dealing strategy to win time and create a false impression that the British side has not jeopardized the talks in a desire to escape the reproach of the Hong Kong residents. Those who lack good faith and say one thing but mean another will have their true intentions revealed in the end. The British Hong Kong Authorities have already spread the message that "September will be the deadline." It will not be difficult to find the answer to the question of which side aims to jeopardize the talks.

### **Editorial Discusses UK Tactics in Talks**

HK2106075393 Hong Kong TA KUNG PAO in Chinese  
21 Jun 93 2

[Editorial: "Let's See What Move the British Side Will Make"]

[Text] In the next few days, China and the UK will hold frequent talks. Subsequent to an agreement reached by the Sino-British Airport Committee on a franchise for the operation of the western tunnel, the Sino-British Joint Liaison Group [JLG] will resume meeting today after six month's suspension. A day later China and the UK will hold their sixth round of talks. We should say this is good news. Holding talks is, after all, better than not holding talks. If the British side sincerely considers Hong Kong's prosperity, stability, and a steady transition, as the Chinese side does, there will hope of an agreement on some urgent problems.

In the final analysis, sincerity is the crux. Several days ago Robin McLaren denied that sincerity had an effect on the talks. In response to the Chinese side's criticism of British sincerity, Chris Patten asked: "Who suggested holding talks? Who demanded holding talks? Who promoted the holding of talks? It seems that the "who" represents the British side and that the British side has the most sincerity for talks. This is ridiculous. We ask Chris Patten: Who has time and again refused consultations with the Chinese side and has obstinately peddled the "three violations" constitutional reform package? Who decided to gazette the constitutional reform package and closed the door to negotiations? Who has broken faith and undermined the foundation for talks? Who has raised obstacles to the talks and has interrupted talks which had resumed with difficulty? Hong Kong people are very clear about what Chris Patten has done

since his arrival in Hong Kong almost a year ago. Upon his arrival in Hong Kong, Chris Patten confronted the Chinese side by serving up a constitutional reform package aimed at prolonging the influence of colonial rule and creating unrest in the minds of Hong Kong and instability in society. The British Government was forced to return to the negotiating table after repeated persuasion by the Chinese side, under severe criticism from the Hong Kong people, and under pressure from farsighted people in various British circles. Even at the negotiating table, the British side did not show its sincerity. Outside the talks, it spread some remarks unfavorable to the talks and made a series of moves contrary to the principles set by the talks, thus delaying an agreement on the arrangements for Hong Kong's 1994/95 elections.

What are the prospects for future Sino-British talks? Is the British side willing to reach an agreement with the Chinese side on the arrangements for Hong Kong's 1994/95 elections? People are closely following the development trend after Chris Patten returns to the UK at the end of this month to attend a high-level meeting.

The Hong Kong Government has announced that Chris Patten, accompanied by Sze Cho-cheung, secretary for constitutional affairs, will return to the UK to "report on his official duties" and to meet the prime minister, the foreign secretary, advisers, and high-level officials. It is generally thought is unusual that this "meeting" has been arranged for after the sixth round of Sino-British talks and that those meeting are British policymakers and representatives and advisers to the Sino-British talks. About 80 to 90 percent of the problems to be discussed and decided will be tactical and on the bottom line the British side will adopt in future talks.

A British Foreign Office official recently disclosed that the high-level British leadership remains quite firm in its stand in support of Chris Patten's constitutional reform package. The British GUARDIAN and FINANCIAL TIMES also revealed that the move to summon Chris Patten to the UK implies putting pressure on Beijing. Is this a signal to disclose the policy trend at the high-level British meeting or does it indicate the stance to be taken by the British side to exert influence on the sixth round of Sino-British talks, which will open soon? If it is the latter, it can be predicted that the Chinese side will not retreat on principles but will persist unswervingly with the "three conformities" that both sides have committed to as the foundation for talks. If it is the former, namely, if the UK really decides to impose pressure on Beijing, encourages Chris Patten, and allows Chris Patten to carry out forcibly his constitutional reform package in Hong Kong, in the end, it is likely to be London which is subjected to pressure, not Beijing.

Hong Kong will return to China in 1997 and this is unalterable. Hong Kong's destiny cannot be manipulated by London. China is thriving and making rapid progress and will not embark on the road of separation or

evolution as some people expect. China has the determination and ability to ensure Hong Kong's prosperity, stability, and a steady transition, no matter who tries to interfere or obstruct. The UK is besieged with difficulties domestically and abroad, is facing all kinds of contradictions, and is declining by the day. Support for John Major has dropped to a new low of 16 percent. Indeed, it is difficult for the UK to defend itself. Facing this reality, if the UK continues to adopt an erroneous China policy and Sino-British talks rupture, we can say with certainty that, apart from being unable to reap political benefits, it will not gain economic advantages either, and pressure

on the UK, including domestic and foreign pressure as well as political and economic pressure, will become increasingly great. It is now high time for the UK to consider its own destiny. For the British side, sincerely cooperating with the Chinese side, wholeheartedly preserving Hong Kong's prosperity and stability, and ensuring Hong Kong's steady transition would be a wise move and a way out of its predicament.

We will see in a few days what move the British side will make.

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